United States Court of Appeals

for the Second Circuit

APPENDIX

ORIGINAL

76-4125

UNITED STATES COURT OF APPEALS
FOR THE SECOND CIRCUIT

- X

ESTATE OF ANTON L. TRUNK, Deceased, :
Clara P. Trunk, Executrix,
:
Petitioner-Appellant,
:
v. :
:
COMMISSIONER OF INTERNAL REVENUE, :
:
Respondent-Appellee. :
:
- X

B

On appeal from the United States Tax Court

P/S

JOINT APPENDIX

JEROME KAMERMAN
Attorney for Petitioner-
Appellant
500 Fifth Avenue
New York, N. Y. 10036
(212) 244-5245

UNITED STATES COURT OF APPEALS
FILED
JUL 22 1976
A. DANIEL FUSARO, CLERK
SECOND CIRCUIT

PAGINATION AS IN ORIGINAL COPY

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DOCKET ENTRIES

UNITED STATES TAX COURT

GENERAL DOCKET

DOCKET NO. 7259-72

ESTATE OF ANTON L. TRUNK, DECEASED
Clara P. Trunk, Executrix
c/o Harold J. Treanor, Esq.
(Cox, Treanor & Shaughnessy)
12 East 41st St.
New York, N. Y. 10017 PETITIONER,

VS.

COMMISSIONER OF INTERNAL REVENUE, RESPONDENT.

APPEARANCES FOR PETITIONER:
NAME Harold J. Treanor (Cox, Treanor & Shaughnessy), 12 East 41st St., New York, N. Y. 10017
ADDRESS Jerome Kamerman, 500 5th Ave., New York, N. Y. 10036 (E/A 3/17/75) (Kamerman & Kamerman)

Date Month Day Year	Filings and Proceedings	Action	Served
Sep. 14, 1972	PETITION FILED: FEE PAID Sep. 14, 1972		Sep. 21, 1972
Nov. 16, 1972	ANSWER filed by Resp		Nov. 20, 1972
Nov. 16, 1972	REQUEST by Resp for trial at NY, NY	GRANTED Nov. 20, 1972	Nov. 20, 1972
Jan. 14, 1974	NOTICE OF TRIAL on April 16, 1974 at New York, N.Y.		Jan. 14, 1974
Mar. 28, 1974	MOTION by Petr. for continuance from April 16, 1974		
	New York, N.Y. trial session and continue until after		
	September 1974. (No Obj. Resp.)	GRANTED Mar. 29, 1974 (continued generally)	APR 2 1974
Dec. 18, 1974	NOTICE OF TRIAL on March 17, 1975 at New York, N. Y.		Dec. 18, 1974
Mar. 17, 1975	TRIAL at New York, N. Y. before Judge Quealy.		
	Entry of appearance by Jerome Kamerman as counsel,		APR 1 1975
	filed.		
	Stipulation of Facts with Exhibits filed.		
	Memorandum of Law by Resp. (Copy to Petr.)		Mar. 17, 1975
	Simultaneous Briefs ORIGINAL BRIEFS DUE: June 2, 1975		
	REPLY BRIEFS DUE: June 30, 1975		
	SUBMITTED TO JUDGE QUEALY		
Apr. 7, 1975	TRANSCRIPT of March 17, 1975 received.		
June 3, 1975	BRIEF for Resp. filed. (OK to file per Judge)		JUN 5 1975
June 4, 1975	BRIEF for Petr. filed. (PM timely)		JUN 5 1975
July 1, 1975	REPLY BRIEF for Petitioner filed. (PM timely)		JUL 2 1975

(Continued on page 2)

DOCKET ENTRIES

DOCKET NO. 7259-72

(Continuation)

ESTATE OF ANTON L. TRUNK, DECEASED, CLARA P. TRUNK, EXECUTRIX, PETITIONER — PAGE 2

Date Month Day Year	Filings and Proceedings	Action	Served
July 2, 1975	REPLY BRIEF for Respondent filed. (OK to file & serve Per Judge)		JUL 2 1975
Nov. 3, 1975	FINDINGS OF FACT AND OPINION filed, Judge Quealy.		NOV 3 1975
	(Decision will be entered under Rule 155)		
Feb. 12, 1976	AGREED COMPUTATION, filed.		
Feb. 17, 1976	DECISION ENTERED, Judge Quealy.		Feb. 17, 1976
	APPELLATE PROCEEDINGS		
May 5, 1976	NOTICE OF APPEAL to U.S.C.A., Second Circuit, filed by Petr.		May 6, 1976
May 5, 1976	NOTICE of Filing with copy of notice of appeal sent		
	to Mr. Meade Whitaker, Chief Counsel.		May 6, 1976
May 5, 1976	NOTICE, to parties, of assembling and date for trans-		
	missicn of the record.		May 6, 1976

PETITION

UNITED STATES TAX COURT

ESTATE OF ANTON L. TRUNK, Deceased,
Clara P. Trunk, Executrix,

Petitioner,

v.

COMMISSIONER OF INTERNAL REVENUE,

Respondent.

DOCKET NO. 7259-72

PETITION.

The above named petitioner hereby petitions for a redetermination of the deficiency set forth by the Commissioner of Internal Revenue, in his notice of deficiency (Form L-146 A) dated July 21, 1972, and as a basis of her case alleges as follows:

1. Petitioner is the Executrix of the Estate of Anton L. Trunk, deceased, and her address is c/o Harold J. Treanor, Esq., Cox, Treanor & Shaughnessy, Esqs., 12 East 41st Street, New York, New York 10017. The Estate Tax Return, here involved, was filed with the District Director of Internal Revenue for the Manhattan, New York District.

2. The notice of deficiency (a copy of which is attached, marked Exhibit A) was mailed to petitioner on July 21, 1972.

3. The deficiency is in Estate Tax in the amount of $124,708.91, a part of which is in dispute.

4. The determination of tax set forth in the said notice of deficiency is based upon the following errors:

PETITION

(a) The Commissioner has erroneously reduced the marital deduction by $203,428.98.

(b) The Commissioner has erroneously reduced the charitable deduction by the amount of $22,379.31.

5. The facts upon which petitioner relies as the basis of this case are as follows:

(a) Pursuant to the Will of the late Anton L. Trunk, his spouse, Clara P. Trunk, was entitled to receive the residuary estate after subtracting the bequests provided for in Paragraphs Fifth, Sixth, Seventh and Eighth of said Will. The gross estate, as determined by the Internal Revenue Service and shown in the report dated July 20, 1971, amounted to $1,879,004.76.

The following items had to be paid out of the gross estate in order to arrive at the residuary portion:

(i)	Funeral and administration expenses	67,135.81
(ii)	Debts of decedent	186,722.07
(iii)	Three specific bequests	46,420.00
(iv)	Gross value of property transferred to Trust #1	372,000.00
	Gross value of property transferred to Trust #2, $750,000.00, less elective payment to spouse	550,000.00
	Gross value of property transferred to Trust #3	140,633.94
		($1,362,911.82)

which leaves the residuary portion of the estate, payable to the spouse, in the amount of - $ 514.092.94.

The residuary estate in the above amount was in fact paid to Clara P. Trunk.

The adjusted gross estate consisting of the gross estate noted above, less items

(i), (ii) and (iii) noted above, amounted to $1,242,381.45. Accordingly, the correct marital deduction is in the amount of the residuary estate paid to Clara P. Trunk, or $514,092.14, inasmuch as it is less than one-half of the adjusted gross estate.

(b) Pursuant to Paragraph Sixth of the Will of the late Anton L. Trunk, St. John's Episcopal Church of Larchmont, New York, was named as a beneficiary in a trust (Trust #1) established under the said paragraph of the Will. Also pursuant to the said paragraph, property having a gross value of $372,000. was transferred to Trust #1 subject to mortgages in the amount of $135,000., leaving a net value of the property in Trust #1 in the amount of $237,000. Paragraph Sixth of the Will specifically provided that the trustees of Trust #1 are to pay the Federal and State Estate Taxes with respect to the property transferred to this Trust only out of the income of the Trust and not out of principal, and that any income remaining was to be distributed to certain life beneficiaries. The interest bequeathed to the St. John's Episcopal Church was a remainder interest having a net value of .3489 of the whole trust, and, accordingly, the value of the charitable bequest which the estate is entitled to deduct amounts to $82,689.

(c) Pursuant to Paragraph Seventh of the Will of the late Anton L. Trunk, the Presbyterian Home for Aged Women in the City of New York was named as a beneficiary in a trust (Trust #2) established under the said paragraph of the Will. Also pursuant to the said paragraph, property having a gross value of $750,000., subject to an elective payment to Clara P. Trunk in the amount of $200,000. and a mortgage in the amount of $247,765.63, was transferred to Trust #2, leaving a net value of the property in the trust in

PETITION

the amount of $302,234.37. Paragraph Seventh of the Will specifically provided that the trustees of Trust #1 are to pay the Federal and State Estate Taxes with respect to the property transferred to this Trust only out of the income of the Trust and not out of principal, and that any income remaining was to be distributed to certain life beneficiaries. The interest bequeathed to the Presbyterian Home for Aged Women in the City of New York was a remainder interest having a net value of .3525 of the whole trust, and, accordingly, the value of the charitable bequest which the estate is entitled to deduct amounts to $106,538.

(d) In the alternative, should the Court find that the elective payment of $200,000. to Clara P. Trunk, spouse of the late Anton L. Trunk, provided for under Paragraph Seventh does not represent a reduction of the value of the property placed into Trust #2 pursuant to the said Paragraph Seventh, then the net value of the said property placed into the trust amounts to $502,234.37 and the value of the interest bequeathed to the Presbyterian Home for Aged Women in the City of New York amounts to $177,038. In this alternative event, the two charitable bequests provided for in Trust #1 and Trust #2 total $259,722., and the said amount represents the deductible charitable contribution of the estate.

WHEREFORE, petitioner prays that this Court may hear the case and determine the correct amount of deficiency, if any, that may be due.

HAROLD J. TREANOR
Attorney for Petitioner
112 East 41st Street
New York, New York 10017

PETITION

STATE OF NEW YORK)
COUNTY OF New York) SS.:

CLARA P. TRUNK, being duly sworn, says that she is the Executrix of the Estate of Anton L. Trunk, deceased, and that she is duly authorized to verify the foregoing petition and is familiar with the statements contained therein, and that the statements contained therein are true.

Clara P. Trunk

Clara P. Trunk

SWORN TO before me this
11th day of September 1972.

Claire S. Towers

CLAIRE S. TOWERS
NOTARY PUBLIC, State of New York
No. 41-4005365
Qualified in Queens County
Commission Expires March 30, 1973

EXHIBIT A

P.C. Box 2954, Church St. Sta., New York, N.Y. 10

Department of the Treasury

Regional Commissioner
Internal Revenue Service
North-Atlantic Region

Date: JUL 21 1972

In reply refer to: Ap:NY:SAM:MMC

Estate of Anton L. Trunk
Clara P. Trunk, Executrix
c/o Harold J. Treanor, Esq.
Cox, Treanor & Shaughnessy
12 East 41st Street
New York, New York 10017

Dear Mrs. Trunk:

In accordance with the provisions of existing internal revenue laws, notice is given that the determination of the estate tax liability of the above-named estate discloses a deficiency of $124,708.91. The attached statement shows the computation of the deficiency.

If you do not intend to contest this determination in the United States Tax Court, please sign and return the enclosed waiver form. This will permit an early assessment of the deficiencies and limit the accumulation of interest. The enclosed self-addressed envelope is for your convenience.

If you decide not to sign and return the waiver, the law requires that after 90 days from the date of mailing this letter (150 days if this letter is addressed to you outside the United States and the District of Columbia) we assess and bill you for the deficiencies. However, if within the time stated you contest this determination by filing a petition with the United States Tax Court, Box 70, Washington, D.C. 20044, we may not assess any deficiencies and bill you until after the Tax Court has decided your case. You may obtain a copy of the rules for filing a petition by writing to the Clerk of the Tax Court at the Court's Washington, D.C. address.

If you intend to file a petition with the United States Tax Court, you must do so within the time stated above (90 or 150 days, as the case may be); this period is fixed by law, and the Court cannot consider your case if your petition is filed late.

Sincerely yours,
Johnnie M. Walters
Commissioner
By

Acting Assistant Chief,
Appellate Branch Office

Enclosures:
Waiver Form
Statement
Envelope

FORM 4089 (REV. MAY 1970)	DEPARTMENT OF THE TREASURY - INTERNAL REVENUE SERVICE STATUTORY NOTICE STATEMENT	SYMBOLS AP:NY:SAM:MMC

Estate of Anton L. Trunk
Clara P. Trunk, Executrix
c/o Harold J. Treanor, Esq.
Cox, Treanor & Shaughnessy
12 East 41st Street
New York, New York 10017

KIND OF TAX

Estate

Date of Death	DEFICIENCY
May 14, 1968	$124,708.91

A copy of this letter and statement has been mailed to Mrs. Clara Poey Trunk at 720 Milton Harbor Road, Apartment 2C, Island South, Rye, New York 10580, in accordance with the authority contained in the power of attorney executed by her.

[X] Copy to Authorized Representative:

Mr. Harold J. Treanor
12 East 41st Street
New York, New York 10017

FORM 3614 (REV. APR. 1968)	ESTATE TAX	STATEMENT SCHEDULE
ESTATE OF: Anton L. Trunk		DATE OF DEATH: May 14, 1968
TAXABLE ESTATE AS SHOWN IN: ☒ RETURN AS FILED ☐ PRELIMINARY LETTER DATED ☐ STATUTORY NOTICE DATED		$309,235.14
INCREASES (DECREASES) TO TAXABLE ESTATE (SEE ATTACHED EXPLANATION OF ITEMS)		
(a) Real estate		128,500.00
(b) Stocks and bonds		500.25
(c) Jointly owned property		69.92
(d) Other miscellaneous property		4,440.00
(e) Administration expenses		(2,825.79)
(f) Debts		(446.00)
(g) Marital deduction		203,428.96
(h) Charitable deduction		22,379.31
TAXABLE ESTATE AS REVISED		665,281.79
TAX COMPUTATION	GROSS ESTATE TAX	203,548.63
	CREDIT FOR STATE DEATH TAXES SUBSTANTIATED	-
	GROSS ESTATE TAX LESS CREDIT FOR STATE DEATH TAXES	203,548.63
	OTHER CREDITS	
	ESTATE TAX LIABILITY	203,548.63
	ESTATE TAX ASSESSED	78,839.72
	DEFICIENCY (OVERASSESSMENT)	124,708.91
	LESS: ADDITIONAL CREDIT FOR STATE DEATH TAXES ALLOWABLE, IF SUBSTANTIATED	19,213.53
	DEFICIENCY (OVERASSESSMENT) AFTER STATE DEATH TAXES ALLOWABLE	105,495.38

PETITION

Estate of Anton L. Trunk **Statement**

Explanation of Adjustments

(a) Schedule A - Real Estate		Returned	Determined
	Item 1	$ 85,000.00	$ 125,000.00
	2	360,000.00	372,000.00
	3	675,000.00	750,000.00
	4	23,500.00	25,000.00
	Total	$1,143,500.00	$1,272,000.00

Addition to value of estate $128,500.00

The above items are adjusted to their fair market value at date of death.

(b) Schedule B - Stocks and Bonds		Returned	Determined
	Item 1	$ 40,427.50	$ 40,582.00
	2	48,693.12	49,038.87
	Totals	$ 89,120.62	$ 89,620.87

Addition to value of estate $500.25

The above items are adjusted to their fair market value at date of death.

(c) Schedule E - Jointly Owned Property	Returned	Determined
Item 1	$392.72	$ 462.64

Addition to value of estate $ 69.92

This adjustment is made to correct amount of receivable includible in the taxable estate.

(d) Schedule F - Other Miscellaneous Property	Returned	Determined
Item 9	$ 5,560.00	$10,000.00

Addition to value of estate $ 4,440.00

Item 9 is increased to the fair market value at date of death.

PETITION

Estate of Anton L. Trunk — Statement

Explanation of Adjustments (Continued)

(e) Schedule J - Administration Expenses	Returned	Determined
Item 3(I)	$ 2,504.17	$ 1,019.18
3(Q)	1,175.00	8,833.60
3(U)	1,017.66	-0-
3(V)	86.63	-0-
3(W)	28.70	-0-
3(X)	753.43	-0-
3(Y)	64.14	-0-
3(Z)	10.08	-0-
3(CC)	1,017.65	-0-
3(DD)	86.63	-0-
3(EE)	230.00	-0-
3(FF)	32.00	-0-
3(GG)	20.90	-0-
Totals	$ 7,026.99	$ 9,852.78
Deduction from value of estate	$ 2,825.79	

Items 3(I) and (Q) are adjusted to the amounts deemed allowable. The remaining deductions are disallowed for lack of substantiation.

(f) Schedule K - Debts	Returned	Determined
Item 13 (additional)	-0-	$ 446.00
Deduction from value of estate	$446.00	

A deduction of $446.00 is allowed for a debt of the estate inadvertently omitted.

(g) It is determined that the marital deduction claimed in the amount of $519,522.10 is allowable only to the extent of $316,093.14 as property which has passed from the decedent within the purview of section 2056 of the Internal Revenue Code. Accordingly, the taxable estate has been increased in the amount of $203,428.96.

(h) It is determined that the charitable deduction claimed by you in the total amount of $223,385.83 is allowable only to the extent of $201,006.52 for the reason that you failed to charge a portion of the Federal Estate taxes and State inheritance taxes attributable to the life estates preceding the charitable remainders against the corpus of the trusts providing for such charity. Accordingly, the taxable estate has been increased in the amount of $22,379.31.

P:NY:SAM:MMC FORM 890 (REV. DEC. 1565)	U. S. TREASURY DEPARTMENT - INTERNAL REVENUE SERVICE **ESTATE TAX WAIVER OF RESTRICTIONS ON ASSESSMENT AND COLLECTION OF DEFICIENCY AND ACCEPTANCE OF OVERASSESSMENT**	DATE RECEIVED BY INTERNAL REVENUE SERVICE

Pursuant to section 6213(d) of the Internal Revenue Code of 1954 or corresponding provisions of prior internal revenue laws, the undersigned executor or administrator waives the restrictions provided in section 6213(a) or corresponding provisions of prior internal revenue laws, and consents to the assessment and collection of the following deficiency, together with interest on the tax as provided by law; and accepts the following overassessment as correct:

ITEM	DEFICIENCY	OVERASSESSMENT
TAX	$ 124,708.91	$
PENALTY		
TOTAL	$	$

Upon receipt of a waiver or upon the expiration of 90 days from the date of the statutory notice of deficiency, if a petition is not filed with the Tax Court of the United States, the deficiency of $124,708.91 will be assessed. In the event that evidence of payment of State, inheritance, legacy, or succession taxes as required by section 20.2011 of Estate Tax Regulations under the Internal Revenue Code of 1954 is filed within the 90-day period, the net deficiency of $105,495.38 will be assessed.

ESTATE OF

BY *(Signature and Address of Executor or Administrator)*	DATE
BY *(Signature and Address of Executor or Administrator)*	DATE

NOTE: The execution and filing of this waiver will expedite adjustment of the tax liability as indicated above. It is not, however, a final closing agreement under section 7121 of the Internal Revenue Code and does not preclude assertion of a further deficiency in the manner provided by law if it is later determined that additional tax is due; nor does it extend the statutory period of limitation for refund, assessment, or collection of the tax.

Furthermore, execution and filing of this wavier will not preclude the taxpayer's filing under section 6511 of the Code a timely claim for refund or credit, on which (if disallowed by the Service) suit may be brought in the apprdpriate District Court or the U.S. Court of Claims.

If the executor or administrator is a corporation, the waiver must be signed with the corporate name followed by the signature and title of the officer(s) duly authorized to sign. It is not necessary that the corporate seal be affixed.

The waiver may be executed by the taxpayer's attorney or agent provided such action is specifically authorized by a power of attorney which, if not previously filed, must accompany the form.

UNITED STATES TAX COURT

ESTATE OF ANTON L. TRUNK, Deceased, Clara P. Trunk, Executrix,

Petitioner(s)

v.

COMMISSIONER OF INTERNAL REVENUE,

Respondent.

Docket No. 7259-72

ANSWER

THE RESPONDENT, in answer to the petition filed in the above-entitled case, admits, denies and alleges as follows:

1, 2 and 3. Admits the allegations of paragraphs 1, 2 and 3 of the petition.

4. (a) and (b) Denies that the respondent erred as alleged in subparagraphs (a) and (b) of paragraph 4 of the petition.

5. (a) Admits that pursuant to the Will of the late Anton L. Trunk, his spouse, Clara P. Trunk, was entitled to receive the residuary estate after subtracting the bequests provided for in paragraphs Fifth, Sixth, Seventh and Eighth of said Will. Denies the remaining allegations of subparagraph (a) of paragraph 5 of the petition. Alleges that the gross estate determined by respondent is $1,879,004.76.

(b) Admits that the interest bequeathed to St. John's Episcopal Church was a remainder interest. Denies the remaining allegations of subparagraph (b) of paragraph 5 of the petition.

(c) Admits that the interest transferred to the Presbyterian Home for Aged Women in the City of New York was a remainder interest. Denies the remaining allegations of subparagraph (c) of paragraph 5 of the petition.

(d) Denies the allegations of subparagraph (d) of paragraph 5 of the petition.

6. Denies generally each and every allegation of the petition not hereinbefore specifically admitted, qualified or denied.

WHEREFORE, it is prayed that the deficiency determined by the respondent be in all respects approved.

(Sgd) LEE H. HENKEL, JR. - JJE
LEE H. HENKEL, JR.,
Chief Counsel,
Internal Revenue Service.

OF COUNSEL:
MARVIN E. HAGEN,
Regional Counsel,
AGATHA L. VORSANGER,
Staff Assistant,
Internal Revenue Service,
26 Federal Plaza (12th Floor),
New York, New York 10007.

STIPULATION OF FACTS

UNITED STATES TAX COURT

ESTATE OF ANTON L. TRUNK, Deceased, Clara P. Trunk, Executrix,	)	
Petitioner,	)	Docket No. 7259-72
v.	)	
COMMISSIONER OF INTERNAL REVENUE,	)	
Respondent.	)	

STIPULATION OF FACTS

IT IS HEREBY STIPULATED, that the following statements may be accepted as facts subject to the right of either party to object to the admission of such facts in evidence on the grounds of materiality and relevancy; provided, however, that either party may introduce other and further evidence not inconsistent with the facts herein stipulated:

1. Petitioner is the Executrix of the Estate of Anton L. Trunk, deceased. The estate tax return here involved was filed with the District Director of Internal Revenue for the Manhattan, New York District. The estate tax return is attached as Exhibit 1A. Decedent died May 14, 1968. Decedent's Will was admitted to probate in the Surrogates Court of Westchester County, New York and Letters Testamentary were issued June 11, 1968. A copy of the Will is attached as Exhibit 2B.

2. Petitioner does not contest Respondent's determination that the gross estate of decedent valued as of date of death, totalled $1,879,004.96.

STIPULATION OF FACTS

3. Petitioner does not contest Respondent's determination as to the following:

(a) Increased administrative expenses allowable of $2,825.79;

(b) Increased debts of the estate allowable of $446.00;

(c) Addition to value of real estate of $128,500.00;

(d) Addition to value of stocks and bonds of $500.25;

(e) Addition to value of jointly owned property of $69.92.

(f) Addition to value of other miscellaneous property of $4,440.00.

4. Property passing to decedent's spouse which qualified for the marital deduction, has a value of $316,093.41, exclusive of any property or money referred to under Paragraph "SEVENTH" of decedent's Will.

5. Property having a gross value in the amount of $372,000.00 subject to a mortgage in the amount of $135,000.00 was bequeathed by decedent to the Trustees named in Paragraph "SIXTH" of decedent's Will, to be held under the terms of that paragraph in a trust known as Trust Number One. St. Johns Episcopal Church of Larchmont, New York was named in the said Paragraph "SIXTH" as a remainderman in Trust Number One and its remainder interest amounted to .3489 of the net value of the trust. Respondent concedes that said percentage of net value comprises a charitable transfer. Petitioner does not contest Respondent's

determination as to the values and percentage of remainder interest shown above.

6. Property having a gross value of $750,000.00 subject to a mortgage in the amount of $247,765.63 was bequeathed to the Trustees named in Paragraph "SEVENTH" of decedent's Will, to be held under the terms of that paragraph in a trust known as Trust Number Two. Presbyterian Home for Aged Women in the City of New York was named in the said Paragraph "SEVENTH" as a remainderman in Trust Number Two and its remainder interest amounted to .3525 of the net value of the trust. Respondent concedes that said percentage of net value comprises a charitable transfer. Petitioner does not contest Respondent's determination as to the values and percentage of remainder interest shown above.

7. As shown in the Estate Tax Return, the value at the date of decedent's death of the items bequeathed under Paragraph "FIFTH" of decedent's Will amounted to $21,420.00.

8. As shown in the Estate Tax Return, the gross value of the property bequeathed to the Trustees of Trust Number Three, pursuant to Paragraph "EIGHTH" of decedent's Will, amounted to $140,633.94.

9. As shown in the Estate Tax Return, life insurance in the amount of $25,000.00 included in decedent's gross estate was payable to Helen Kent.

10. If the Court should find in favor of petitioner with regard to the marital deduction issue, the charitable remainder of

STIPULATION OF FACTS

Trust Number Two will be decreased by the computed value of $200,000.00 after the successive life estates provided for.

11. Decedent's spouse sent a letter dated July 21, 1971 to the Trustee Harold J. Treanor, a copy of which is attached as Exhibit 3C.

12. The Trustee Harold J. Treanor, sent a letter to the decedent's spouse dated August 2, 1971, a copy of which is attached as Exhibit 4D, and a second letter to decedent's spouse dated August 10, 1971, a copy of which is attached as Exhibit 5E. The Trustee Harold J. Treanor, delivered a check in the sum of $198,500.00 to decedent's spouse, a copy of which is attached as Exhibit 6F.

JEROME KAMERMAN
Co-Counsel for Petitioner
500 Fifth Avenue
New York, New York 10036

MEADE WHITAKER
Chief Counsel
Internal Revenue Service

By: _____
THEODORE E. DAVIS
Assistant Regional Counsel

OF COUNSEL:
THEODORE E. DAVIS
Acting Regional Counsel
E. NOEL HARWERTH
Attorney
Internal Revenue Service
26 Federal Plaza (12th Floor)
New York, New York 10007
Tel. No. 212-264-0273

Ex. 1A

A-20

ESTATE TAX RETURN

(Rev. Jan. 1966)
U.S. TREASURY DEPARTMENT
Internal Revenue Service

[illegible] ESTATE TAX RETURN

Estates of nonresidents not citizens of the United States may generally file on Form 706NA instead of this form. For details see [illegible].

DO NOT WRITE IN SPACE BELOW

Date received

Decedent's first name and middle initial	Decedent's last name
Anton L.	Trunk
Decedent's social security number	**Employer identification number for estate**
033-18-6068	13-6266691
Date of death	**Citizenship (nationality) at time of death**
May 14, 1968	U.S.
Residence (domicile) at time of death	
New Rochelle, New York	

Did the decedent die testate?	Were letters testamentary or of administration granted for this estate?	Date granted
☒ Yes ☐ No	☒ Yes ☐ No	June 11, 1968

Case No.	Name of court	Location of court
1741-1968	Surrogate's Court	Westchester County

To whom granted? (Designate whether executor, executrix, administrator, or administratrix. Explain if different from the person or persons filing return)

NAME	DESIGNATION	ADDRESS (Number, street, city, State, and Postal ZIP code)
Clara Poey Trunk	Executrix	720 Milton Harbor Road 2/c Island So. Rye, N. Y. 10580

COMPUTATION OF TAX

(See instructions on page 35)

Taxable estate (Item 5, Schedule P, or Item 9, Schedule Q, whichever is applicable)	$ 309,235.14
PART I	
1. Gross estate tax (use table A, page 40)	$ 84,655.24
2. Credit for State death taxes (use Table B, page 40)	5,815.52
3. Gross estate tax less credit for State death taxes (item 1 minus item 2). This is the net amount payable unless credit for Federal gift taxes, tax on prior transfers, or foreign death taxes is claimed in Part II	$ 78,839.72
PART II	
4. Credit for Federal gift taxes	$
5. Credit for tax on prior transfers	
6. Credit for foreign death taxes	
7. Total of credits under Part II (total of items 4, 5, and 6)	None
8. Net estate tax payable (item 3 minus item 7)	$ 78,839.72

(SPACE FOR USE OF INTERNAL REVENUE SERVICE)

Assessments					Payments		
Type of assessment (tax, interest, etc.)	Amount	List	Page	Line	Date	Principal	Interest
	$					$	$

DETERMINATION BY INTERNAL REVENUE SERVICE

BEST COPY AVAILABLE

1. Address of decedent at time of death (Number, street, city, State, and Postal ZIP code)

11 Dogwood Lane, Pryor Manor, New Rochelle, New York

2. State in which domiciled at time of death	3. Year in which this domicile was established
New York	

4. Place of death	5. Cause of death	6. Length of last illness
Madrid, Spain	Intraventricular Hemorrhage	1 day

7. Decedent's physicians

NAMES	ADDRESSES (Number, street, city, State, and Postal ZIP code)
Camilo Schmehlik Johnen	53 Paseo Castellana, Madrid, Spain

8. If decedent was confined in a hospital during his last illness or within 3 years prior to his death, give name and address of hospital

British-American Hospital, Madrid, Spain

9a. Date of birth	9b. Place of birth (City and State or country, if other than United States)
8/18/1884	Bridgeport, Conn.

10a. Business or occupation	10b. If retired, state former business or occupation
Real estate broker	

10c. Business name	10d. Decedent's employer identification number, if any
Anton L. Trunk	13-2008528

10e. Business address (Number, street, city, State, and Postal ZIP code)

11. Marital status of decedent at date of death

☒ Married ☐ Single ☐ Legally separated ☐ Widow or Widower ☐ Divorced

12a. Name of surviving husband or wife	12b. Social security number of surviving husband or wife
Clara Poey Trunk	090-38-4526

12c. Date of marriage to surviving husband or wife	12d. Domicile at date of marriage to surviving husband or wife
August 17, 1907	New York City, New York

13a. If decedent was a widow or widower, give name of deceased husband or wife	13b. Date of death of deceased husband or wife

14. Individuals who receive benefits from the estate (do not include charitable beneficiaries shown in Schedule N or any heir receiving less than $1,000)

Name.—Enter the name of each individual who receives benefits from the estate directly as an heir, next-of-kin, devisee or legatee or indirectly (for example, as beneficiary of a trust, shareholder of a corporation or partner of a partnership which is an heir, etc.).

Social Security Number.—If the individual has no social security number, use his taxpayer account number.

Age.—On the date of the decedent's death.

Relationship.—Include relationships by blood, marriage, or adoption or indicate NONE.

Amount.—Value all interests on the date of death or the alternate valuation date, whichever is used for estate tax purposes. The interest of each beneficiary should be valued in the same manner as it would be valued for estate or gift tax purposes. Where precise values cannot readily be determined, a reasonable approximation should be entered. The sum of the values of the interests of all unborn or otherwise unascertainable beneficiaries should be shown on the last line (all unascertainable beneficiaries).

Name	Social Security Number	Age	Relationship to Decedent	Amount
Clara Poey Trunk	090-38-4526	85	Wife	550,000.
Lilias P. Girvin	060-07-8249	53	Great Niece-in Law	75,000.
Barbara G. Mahoney	131-18-7736	43	Great Niece-in Law	75,000.
Clara P. Girvin		78	Niece-in-Law	25,000.
Helen L. Kent	089-26-1886	68	Friend	75,000.
All unascertainable beneficiaries.....				

CEASE... ...—Continued

15a. Did the decedent at date of death own property in any S... ...ry other than that of his last domicile? ☐ Yes ☒ No
If "Yes," state place of ancillary probate proceedings

15b. Name of ancillary administrator or executor

15c. Address of ancillary administrator or executor (Number, street, city, State, and Postal ZIP code)

16a. Did the decedent at the time of his death have a safe deposit box held either alone or in the joint names of himself and another? ☒ Yes ☐ No
If "Yes," state location
Chemical Bank New York Trust Company, 1 E. 42nd St., N. Y., N. Y.
Bankers Trust Company, 455 Park Ave., New York, N. Y.

16b. If held jointly, give the name of the joint depositor

16c. Relationship of joint depositor to decedent

16d. If the decedent had a safe deposit box at the time of his death, indicate by schedule and item number under what schedules in this return the contents are listed
See schedule

16e. If any of the contents of the safe deposit box are omitted from the schedules, explain fully why omitted
CHEMICAL BANK Box - See Schedule
All contents of box comprising jewelry owned by Clara Poey Trunk at Bankers Trust Company

17. Did the undersigned person or persons filing return make diligent and careful search for property of every kind left by the decedent? ☒ Yes ☐ No

18. Did the same undersigned make diligent and careful search for information as to any transfers (other than outright transfers not in trust) of the value of $5,000 or more made by the decedent during his lifetime without an adequate and full consideration in money or money's worth? ☒ Yes ☐ No

19. Did the same undersigned make diligent and careful search for the existence of any trusts created by the decedent during his lifetime or any trusts created by other persons under which the decedent possessed any power, beneficial interest, or trusteeship? ☒ Yes ☐ No

20a. Name of attorney representing estate, if any
Cox, Treanor & Shaughnessy, Escs. Attention: Harold J. Treanor

20b. Address (Number, street, city, State, and Postal ZIP code)
12 East 41st Street, New York, N. Y. 10017

20c. Telephone No.
Mu 3-1941

ALTERNATE VALUATION

(These instructions apply only if alternate valuation is elected. For further information on this subject, see General Instructions on page 4)

21. An election to have the gross estate of the decedent valued as of the alternate date or dates is made by entering a check mark in the box set forth below.
☐ The executor elects to have the gross estate of this decedent valued in accordance with values as of a date or dates subsequent to the decedent's death as authorized by section 2032 of the Code.

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430—16—77720-1

ESTATE OF ANTON L.TRUNK - Form 706, page 5,
Lines 16(d) and 16(e)

INVENTORY OF SAFE DEPOSIT BOX IN THE NAME OF ANTON L. TRUNK at CHEMICAL BANK NEW YORK TRUST COMPANY, 1 East 42nd Street, New York, WHEN OPENED ON MAY 23rd, 1968.

Line 16(d), Items Reported on the Return and where reported

SCHEDULE REPORTED	
	Original Will dated 12/27/67 by Anton L.Trunk - released.
Sch. A, Item 2	Deed dated 2/11/44 - Helen L. Kent to Anton L. Trunk - covering premises Fourth Ward, Borough & County of Queens - Clinton Ave. & Fulton St. Recorded Deed 4805 page 326 Sect. 50 Block 12398 2/16/44 Queens County (Chapman Deed).
Sch. A, Item 2	Deed dated 3/9/50 - George J. Patrick to Anton L. Trunk - covering premises 652 West 170th Street, Manhattan - Recorded 3/13/50 Liber 4664 Page 1 - Block 2138 N.Y.County.
Sch. A., Item 2	Bargain & Sale Deed - dated 4/7/55 - George J. Patrick to Anton L. Trunk - covering premises 164th St. & Jamaica Ave. Queens County Recorded Deed 6761 page 241 4/8/55 Queens County.
Sch. A, Item 2	Bargain & Sale Deed - dated 12/9/47 - William J. Burns to Anton L. Trunk - covering premises 164th St. (Clinton Ave) westerly side Queens Recorded Deed 5514 page 407 12/10/47 Sect. 50 Block 12398.
Sch. A, Item 3	Bargain & Sale Deed - dated 2/28/53 - Chart Realty Corp. to Anton L. Trunk - covering premises 33-35-37-39 John St. & 76-78 Nassau St., Manhattan - Recorded 3/19/53 Conv. 4825 page 458 N.Y. County.
Sch. A, Item 1	Deed dated 1/4/24 - Pryer Manor Co.,Inc. to Anton L. Trunk- covering premises City of N. Rochelle, West.County, Dogwood Lane- Premium Point - Beal Rd. Recorded 2/16/24 Liber 2480 page 405 West.County.
Sch. A, Item 1	Warranty Deed dated 6/23/24 - Irving W. Lyon and Helen W. Lyon to Anton L. Trunk- covering premises City of N.Rochelle, West.County, Pryer Manor Rd. Recorded 6/27/24 Liber 2510 page 32 West.County
Sch. A, Item 1	Deed dated 12/11/25 Larchwood Estates, Inc. to Anton L.Trunk covering premises City of N.Rochelle West.County - Dogwood Lane - recorded 12/15/25 Liber 2629 page 102 West.County.
Sch. C, Item 9	Assignment of Mortgage dated 9/29/59 -Bowery S.B. to Anton L. Trunk - covering premises 89-65 164th St.,Jamaica - Recorded Mtg. 7641 page 67 10/4/59 Queens County.

Ex. 1A
ESTATE TAX RETURN

Line 16(d) continued:

SCHEDULE REPORTED

Sch. C, Item 8	Assignment of Mortgage - dated 12/19/61 Central Savings Bank to Anton L. Trunk covering premises 935 Flatbush Ave. Brooklyn recorded 12/28/61 Kings County 12149 333.
Sch. D, Item 3	Equitable Life Assurance Society of the U.S. #2119567 n/o Anton L. Trunk Amt. $5,000. Ben. Clara M. Trunk - Wife
Sch. D, Item 1	Travelers Ins. Co. #1035218 n/o Anton L. Trunk Amt. $25,000. Ben. Helen L. Kent McKinley Friend
Sch. D, Item 1	Travelers Ins. Co. #2455220 n/o Anton Lewis Trunk Amt. $25,000. Ben. Clara P. Trunk, Wife
Sch. B, Item 2	2196 Grand Union Co. com n/o Anton L. Trunk
Sch. B, Item 1	1030 Uris Buildings Corp. com do
Sch. B, Item 4	1 Upico Corp. cap. n/o Anton L. Trunk
Sch. C, Item 5	$500. Westchester Hills Golf Club - Cert. of Indebtedness Ser. A n/o A. L. Trunk
Sch. B, Item 3	Sleepy Hollow Country Club Cert. of Membership n/o Anton Trunk
Sch. B, Item 6	Promissory notes dated 1/3/39 Amt. $127.25 without int. due 1/1/49 to Anton L. Trunk signed by Westchester Hills Golf Club Inc.
Sch. B, Item 6	do dated 7/22/40 Amt. $25. due 1/1/49 to Anton L. Trunk signed by same as above.
Sch. F, Item 5	Agreement dated 4/12/60 Halat Realty Corp. Inc. and Life Extension Institute Inc. and Anton L. Trunk
Sch. C, Item 7	Mortgage dated 4/8/46 Mary A. Shanks to Anton L. Trunk covering premises Town of Mamaroneck West. County Concord Ave., Recorded Liber 4368 page 367 4/10/46 West. County Amt. $4,200.

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Ex. 1A

ESTATE TAX RETURN

ESTATE OF ANTON L. TRUNK, DECEASED

Inventory of Safe Deposit Box at
Chemical Bank New York Trust Company
1 East 42nd Street, New York, N. Y.

Continued: Line 16(e) -Items not to be included in the return

EQUITABLE LIFE ASSURANCE SOCIETY
OF THE UNITED STATES, Policy #14542943
in the name of EDWARD T. MAHONEY --------- $ 25,000.00

DEED dated 8/5/43 HELEN L. KENT to CLARA
POEY TRUNK covering premises easterly side
of 164th Street, Queens, Recorded Deed 4808
Page 352 Sect. 50 Block 12347 Queens County

PASSBOOKS: BANKERS TRUST CO. #14-7424 n/o
CLARA P. TRUNK - Amt.$ 25,000.00 1/9/52
FIRST NATIONAL CITY BANK
#F20032 n/o CLARA P. TRUNK Amt. $100,000. 1/9/62

FIRST NATIONAL CITY BANK - Cert. of Deposits:

Amt. $ 116,194.22	dated 7/25/66	due 6 mos. at	5-1/2%	n/o Clara P.Trunk
$ 29,000.00	8/5/66	171 days	"	"
$ 116,194.22	1/25/66	180 days	4-3/4%	"
$ 145,000.00	4/25/67	91 days	"	"

GROSS ESTATE
SCHEDULE A
REAL ESTATE

Did the decedent, at the time of his death, own any real estate required to be included in the gross estate? See General Instruction J, page 4. ☒ Yes ☐ No

Item No.	Description	Subsequent valuation date	Alternate value	Value at date of death
1	House and lot, 11 Dogwood Lane, Pryor Manor, New Rochelle, N. Y. See attached appraisal of Raymond D. Porter		$	$ 85,000.
2	Leased fee at 89-50 164th Street, Jamaica, Queens, N. Y. See attached appraisal			360,000.
3	Undivided 50% interest in improved real property at 72-78 Nassau Street, N/E corner of John Street, New York, N. Y. See attached appraisal			675,000.
4	House and lot at 652 West 170th Street, New York, N. Y. See attached appraisal			23,500.
	TOTAL (also enter under the Recapitulation, Schedule O)		$	$1,143,500.

(If more space is needed, insert additional sheets of same size)

SCHEDULE B
STOCKS AND BONDS

1. Did the decedent, if a resident or citizen of the United States, own any stocks or bonds, regardless of ... location, at the time of his death? ☒ Yes ☐ No

2. Did the decedent, if a nonresident not a citizen of the United States, own, at the time of his death, ... ks of corporations organized in the United States or bonds situated in the United States as explained in the ins... ns? ☐ Yes ☐ No

Item No.	Description (including face amount of bonds or number of shares)	Par	Unit value	Subsequent value-Lon date	Alternate value	Value at date of death
1	1030 shs. Uris Building Corp. common (Estate now owns 2060 shares pursuant to a 100% stock dividend paid March 3, 1969		39-1/4		$	$ 40,427.50
2	2305 shs. The Grand Union Company		21-1/8			48,693.12
3	The Sleepy Hollow Country Club certificate of membership No. 86		1000			1,000.00
4	1 share Uprico Corporation					No value
	TOTAL (also enter under the Recapitulation, Schedule O)				$	$ 90,120.62

(If more space is needed, insert additional sheets of same size)

ESTATE OF Anton L. Trunk

e30—16—77750-1

SCHEDULE C
MORTGAGES, NOTES, AND CASH

Did the decedent, at the time of his death, own any mortgages, notes, or cash? ☒ Yes ☐ No

Item No.	Description	Subsequent valuation date	Alternate value	Value at date of death
1	Chemical Bank New York Trust Company checking account No. 092-496-474 - at 1 East 42nd Street, New York, N. Y.		$	$ 90,135.03
2	Certificate of deposit - Chemical Bank New York Trust Company, 1 E. 42nd St., New York, N.Y. Principal $115,000.00 Accrued interest 710.47			115,710.47
3	The Seamen's Bank for Savings, Beaver Street, New York, N. Y. Account No. 26,888			1,274.55
4	Central Savings Bank, 73rd Street, & Broadway, New York, N. Y. Account No. 177,517			231.52
5	Westchester Hills Golf Club Certificate of Indebtedness No. 206, Series A, Face amount, $500.			25.00
6	Westchester Hills Golf Club, Inc. Notes $127.75 and $25.00			No value
7	Consolidated mortgages covering 30 Concord Avenue, Larchmont, N. Y.			10,320.00
8	Mortgage on 935 Flatbush Avenue, Brooklyn,N.Y.			25,000.00
9	Mortgage on 89-65 164th Street, Jamaica, Queens			60,000.00
	TOTAL (also enter under the Recapitulation, Schedule O)		$	$ 302,696.57

(If more space is needed, insert additional sheets of same size)

SCHEDULE D
INSURANCE

1a. Was any insurance on life of decedent receivable by his estate?
☐ Yes ☒ No

1b. By beneficiaries other than estate?
☒ Yes ☐ No

2. Was there any insurance on the decedent's life which is not included in the return as a part of the gross estate?
☐ Yes ☐ No If "Yes," a complete explanation as to all such insurance must be submitted.

Item No.	Description	Subsequent valuation date	Alternate value	Value at date of death
1	The Travelers Insurance Company Policy No. 1035218 on life of Anton L. Trunk Beneficiary - Helen L. Kent		$	$ 25,000.00
2	The Travelers Insurance Company Policy No. 2455220 on life of Anton L. Trunk Beneficiary - Clara P. Trunk			25,000.00
3	The Equitable Life Assurance Society of the U. S. Policy No. 2119567 Beneficiary - Clara P. Trunk			5,163.41
	TOTAL (also enter under the Recapitulation, Schedule O)		$	$55,163.41

(If more space is needed, insert additional sheets of same size)

e30—16—77780-1

FORM 712
(REV. MAY 1956)

U.S. TREASURY DEPARTMENT—INTERNAL REVENUE SERVICE

LIFE INSURANCE STATEMENT

(To be filed by Executor with Federal Estate Tax Return, Form 706)

Enter these items on Schedule D, Form 706

1. NAME OF INSURANCE COMPANY
The Travelers Insurance Company

2. NAME OF DECEDENT (*Insured*)
Anton L. Trunk

3. KIND OF POLICY
Ordinary Life

4. NO. OF POLICY
1035218

5A. NAMES OF BENEFICIARIES
Helen L. Kent Friend

5B.
with contingent beneficial interests

5C. as provided by agreement dated 3-13-40.

6. FACE AMOUNT OF POLICY
$25,000.00

7. PRINCIPAL OF ANY INDEBTEDNESS TO THE COMPANY DEDUCTIBLE IN DETERMINING NET PROCEEDS
$

8. INTEREST ON INDEBTEDNESS (*Item 7*) ACCRUED TO DATE OF DEATH
$

9. AMOUNT OF ACCUMULATED DIVIDENDS
$ None

10. AMOUNT OF POST-MORTEM DIVIDENDS
$ None

11. AMOUNT OF RETURNED PREMIUM
$

12. AMOUNT OF PROCEEDS IF PAYABLE IN ONE SUM
$

13. VALUE OF PROCEEDS AS OF DATE OF DEATH (*If not payable in one sum*)
$ 25,000.00

14. DATE OF DEATH OF INSURED
5-14-60

15. DATE OF ISSUE OF POLICY
6-23-24

16. AMOUNT OF PREMIUM
320.25 SA

17A. PROVISIONS OF POLICY WITH RESPECT TO THE DEFERRED PAYMENTS OR TO THE INSTALLMENTS (*NOTE: Where marital deduction under Code section 2056 is involved, if other than lump sum settlement authorized, copy of insurance policy should be attached.*)

4 ½ % S.A. of 3-13-40 provides 240. monthly instalments of 156.25 each.
First 5-14-60.

17B. AMOUNT OF INSTALLMENTS
$ 156.25

17C. DATE OF BIRTH AND NAME OF ANY PERSON THE DURATION OF WHOSE LIFE MAY MEASURE THE NUMBER OF PAYMENTS

17D. AMOUNT APPLIED BY THE INSURANCE COMPANY AS A SINGLE PREMIUM REPRESENTING THE PURCHASE OF INSTALLMENT BENEFITS
$

17E. BASIS (*Mortality table and rate of interest*) USED BY INSURER IN VALUING INSTALLMENT BENEFITS
4½ %

18. WAS THE INSURED THE ANNUITANT OR BENEFICIARY OF ANY ANNUITY CONTRACT ISSUED BY THE COMPANY?
☐ YES ☒ NO

19. NAMES OF COMPANIES WITH WHICH DECEDENT CARRIED OTHER POLICIES AND AMOUNT OF SUCH POLICIES IF THIS INFORMATION IS DISCLOSED BY YOUR RECORDS

See # 2455220

The undersigned officer of the above-named insurance company hereby certifies that this statement sets forth correct and true information.

DATE OF CERTIFICATION	SIGNATURE	TITLE
11-1-63	Ralph J. Coppeler	Secretary, Life, Accident & Group Claim Department

INSTRUCTIONS

PURPOSE OF STATEMENT.—The information shown by this statement is required for the purpose of determining the statutory gross estate of the insured for Federal estate tax purposes.

STATEMENT OF INSURER.—This statement must be made, on behalf of the insurance company which issued the policy, by an officer of the company having access to the records of the company. For purposes of this statement, a facsimile signature may be used in lieu of a manual signature and, if used, shall be binding as a manual signature.

DUTY TO FILE.—It is the duty of the executor to procure this statement from the insurance company and file it with the return. However, if specifically requested, the insurance company should file this statement direct with the official of the Internal Revenue Service making the request.

SEPARATE STATEMENTS.—A separate statement must be filed for each policy listed on the return.

L-6016 REV. 10-67 PRINTED IN U.S.A.
U.S. GOVERNMENT PRINTING OFFICE: 1968—O-218-808

FORM 712
(REV. MAY 1966)

U.S. TREASURY DEPARTMENT—INTERNAL REVENUE SERVICE

LIFE INSURANCE STATEMENT

(To be filed by Executor with Federal Estate Tax Return, Form 706)

Enter these items on Schedule D, Form 706

1. NAME OF INSURANCE COMPANY: The Equitable Life Assurance Society of the United States
1285 Avenue of the Americas, New York, N. Y. 10019

2. NAME OF DECEDENT (*Insured*): Anton L. Trunk

3. KIND OF POLICY: Ordinary Life

4. NO. OF POLICY: 2,119,567

5A. NAMES OF BENEFICIARIES: The insured's wife, Clara M. Trunk

5B.

5C.

5D.

6. FACE AMOUNT OF POLICY: $ 5,021.00*

7. PRINCIPAL OF ANY INDEBTEDNESS TO THE COMPANY DEDUCTIBLE IN DETERMINING NET PROCEEDS: $

8. INTEREST ON INDEBTEDNESS (*Item 7*) ACCRUED TO DATE OF DEATH: $

9. AMOUNT OF ACCUMULATED DIVIDENDS: $ 100.00**

10. AMOUNT OF POST-MORTEM DIVIDENDS: $ 42.41

11. AMOUNT OF RETURNED PREMIUM: $

12. AMOUNT OF PROCEEDS IF PAYABLE IN ONE SUM: $ 5,163.41 includes 9 and 10

13. VALUE OF PROCEEDS AS OF DATE OF DEATH (*If not payable in one sum*): $

14. DATE OF DEATH OF INSURED: May 14, 1968

15. DATE OF ISSUE OF POLICY: December 30, 1915

16. AMOUNT OF PREMIUM: $65.15 semi-annually

17A. PROVISIONS OF POLICY WITH RESPECT TO THE DEFERRED PAYMENTS OR TO THE INSTALLMENTS (*NOTE: Where marital deduction under Code section 2056 is involved, if other than lump sum settlement authorized, copy of insurance policy should be attached.*)

*Includes $21.00 as additional insurance purchased by dividends.

**Represents the termination dividend.

17B. AMOUNT OF INSTALLMENTS: $

17C. DATE OF BIRTH AND NAME OF ANY PERSON THE DURATION OF WHOSE LIFE MAY MEASURE THE NUMBER OF PAYMENTS

17D. AMOUNT APPLIED BY THE INSURANCE COMPANY AS A SINGLE PREMIUM REPRESENTING THE PURCHASE OF INSTALLMENT BENEFITS: $

17E. BASIS (*Mortality table and rate of interest*) USED BY INSURER IN VALUING INSTALLMENT BENEFITS

18. WAS THE INSURED THE ANNUITANT OR BENEFICIARY OF ANY ANNUITY CONTRACT ISSUED BY THE COMPANY?

☐ YES ☒ NO

19. NAMES OF COMPANIES WITH WHICH DECEDENT CARRIED OTHER POLICIES AND AMOUNT OF SUCH POLICIES IF THIS INFORMATION IS DISCLOSED BY YOUR RECORDS

The Traveler's Insurance Company $50,000.00

The undersigned officer of the above-named insurance company hereby certifies that this statement sets forth correct and true information.

DATE OF CERTIFICATION: October 24, 1968

SIGNATURE: Henry A. Hahlbohm

TITLE: VICE PRESIDENT

INSTRUCTIONS

PURPOSE OF STATEMENT.—The information shown by this statement is required for the purpose of determining the statutory gross estate of the insured for Federal estate tax purposes.

STATEMENT OF INSURER.—This statement must be made, on behalf of the insurance company which issued the policy, by an officer of the company having access to the records of the company. For purposes of this statement, a facsimile signature may be used in lieu of a manual signature and, if used, shall be binding as a manual signature.

DUTY TO FILE.—It is the duty of the executor to procure this statement from the insurance company and file it with the return. However, if specifically requested, the insurance company should file this statement direct with the official of the Internal Revenue Service making the request.

SEPARATE STATEMENTS.—A separate statement must be filed for each policy listed on the return.

U.S. GOVERNMENT PRINTING OFFICE: 1966—O-218-908

FORM 712
(REV. MAY 1966)

U.S. TREASURY DEPARTMENT—INTERNAL REVENUE SERVICE

LIFE INSURANCE STATEMENT

(To be filed by Executor with Federal Estate Tax Return, Form 706)

Enter these items on Schedule D, Form 706

1. NAME OF INSURANCE COMPANY
The Travelers Insurance Company

2. NAME OF DECEDENT (*Insured*)
Anton L. Trunk

3. KIND OF POLICY
Ordinary Life

4. NO. OF POLICY
2455220

5A. NAMES OF BENEFICIARIES
Clara P. Trunk wife

5B.

5C.

5D.

6. FACE AMOUNT OF POLICY
$25,000.00

7. PRINCIPAL OF ANY INDEBTEDNESS TO THE COMPANY DEDUCTIBLE IN DETERMINING NET PROCEEDS
$

8. INTEREST ON INDEBTEDNESS (*Item 7*) ACCRUED TO DATE OF DEATH
$

9. AMOUNT OF ACCUMULATED DIVIDENDS
$ None

10. AMOUNT OF POST-MORTEM DIVIDENDS
$ None

11. AMOUNT OF RETURNED PREMIUM
$

12. AMOUNT OF PROCEEDS IF PAYABLE IN ONE SUM
$ 25,000.00

13. VALUE OF PROCEEDS AS OF DATE OF DEATH (*If not payable in one sum*)
$

14. DATE OF DEATH OF INSURED
5-14-63

15. DATE OF ISSUE OF POLICY
1-18-49

16. AMOUNT OF PREMIUM
1906.75 Ann.

17A. PROVISIONS OF POLICY WITH RESPECT TO THE DEFERRED PAYMENTS OR TO THE INSTALLMENTS (*NOTE: Where marital deduction under Code section 2056 is involved, if other than lump sum settlement authorized, copy of insurance policy should be attached.*)

17B. AMOUNT OF INSTALLMENTS
$

17C. DATE OF BIRTH AND NAME OF ANY PERSON THE DURATION OF WHOSE LIFE MAY MEASURE THE NUMBER OF PAYMENTS

17D. AMOUNT APPLIED BY THE INSURANCE COMPANY AS A SINGLE PREMIUM REPRESENTING THE PURCHASE OF INSTALLMENT BENEFITS
$

17E. BASIS (*Mortality table and rate of interest*) USED BY INSURER IN VALUING INSTALLMENT BENEFITS

18. WAS THE INSURED THE ANNUITANT OR BENEFICIARY OF ANY ANNUITY CONTRACT ISSUED BY THE COMPANY?
☐ YES ☒ NO

19. NAMES OF COMPANIES WITH WHICH DECEDENT CARRIED OTHER POLICIES AND AMOUNT OF SUCH POLICIES IF THIS INFORMATION IS DISCLOSED BY YOUR RECORDS

The Equitable Life Assurance Society Of U.S. $5,000.00

The undersigned officer of the above-named insurance company hereby certifies that this statement sets forth correct and true information.

DATE OF CERTIFICATION
11-1-68

SIGNATURE
Ralph J. Coppeler

TITLE Secretary, Life, Accident & Group Claim Department

INSTRUCTIONS

PURPOSE OF STATEMENT.—The information shown by this statement is required for the purpose of determining the statutory gross estate of the insured for Federal estate tax purposes.

STATEMENT OF INSURER.—This statement must be made, on behalf of the insurance company which issued the policy, by an officer of the company having access to the records of the company. For purposes of this statement, a facsimile signature may be used in lieu of a manual signature and, if used, shall be binding as a manual signature.

DUTY TO FILE.—It is the duty of the executor to procure this statement from the insurance company and file it with the return. However, if specifically requested, the insurance company should file this statement direct with the official of the Internal Revenue Service making the request.

SEPARATE STATEMENTS.—A separate statement must be filed for each policy listed on the return.

L-6016 REV. 10-67 PRINTED IN U.S.A.

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SCHEDULE E
JOINTLY OWNED PROPERTY

1. Did the decedent, at the time of his death, own any property as a joint tenant or as a tenant by the entirety, with right of survivorship? ☒ Yes ☐ No
If "Yes," state the name and address of each surviving cotenant.

NAME	ADDRESS (Number, street, city, State, and Postal ZIP code)
Clara Poey Trunk	

Item No.	Description	Subsequent valuation date	Alternate value	Value at date of death
1	Reliance Insurance Company No. HO-1-52-18-15 value of prepaid premium		$	$ 392.72
	TOTAL (also enter under the Recapitulation, Schedule O)		$	$ 392.72

(If more space is needed, insert additional sheets of same size)

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SCHEDULE F
OTHER MISCELLANEOUS PROPERTY

1. Did the decedent, at the time of his death, own any interest in a copartnership or unincorporated business? ☐ Yes ☒ No

2. Did the decedent, at the time of his death, own any miscellaneous property not returnable under any other schedule? ☒ Yes ☐ No

3. Was there any insurance which the decedent owned on the life of another which is not included in the return as a part of the gross estate? If "Yes," full details must be submitted under this schedule. ☐ Yes ☒ No

4. State whether the decedent's estate, his spouse, or any other person, has received, or will receive, any bonus or award as a result of the decedent's employment or his death. If "Yes," full details must be submitted under this schedule. ☐ Yes ☒ No

Item No	Description	Subsequent valuation date	Alternate value	Value at date of death
1	See schedule		$	$
	TOTAL (also enter under the Recapitulation, Schedule O)		$	$ 153,621.47

(If more space is needed, insert additional sheets of same size)

ESTATE OF Anton L. Trunk Schedule F—Page

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Ex. 1A
ESTATE TAX RETURN

ESTATE OF ANTON L. TRUNK, DEC'D.

Form 706 - Schedule F

Other Miscellaneous Property

1.	RELIANCE INSURANCE COMPANY - general liability policy #1-20-82-32, 11/12/68 to 1/12/71		$ 24.00
2.	RELIANCE INSURANCE COMPANY - policy #GA1-20-84-23 3/9/68 to 3/8/71, 652 West 170th Street, Jamaica, Queens.		7.00
3.	NATIONAL FIRE INSURANCE CO. OF HARTFORD, policy #F030195-46-19, 6/15/66 to 6/15/69		20.00
4.	UNITED STATES FIRE INSURANCE CO. - policy #80-03-24 9/21/66 to 9/21/69		27.00
5.	STOCK PURCHASE CONTRACT between ANTON L. TRUNK, Seller, and LIFE EXTENSION INSTITUTE INC., Purchasers, dated April 12, 1960 - outstanding balance at date of death $227,500., discounted at 8% for 14 years		140,633.94
6.	RELIANCE INSURANCE COMPANY - policy #WC-33-35-46 prepayment premium 5/14/68 to 3/31/69		111.42
7.	AMERICAN EXPRESS TRAVELERS CHECKS - $1,140. less $350. repaid to correct error		790.00
8.	1961 CADILLAC 4-door Sedan 1963 FORD Falcon 4-door Hardtop		600.00 300.00
9.	OFFICE FURNISHINGS, JEWELRY AND PERSONAL EFFECTS & FURNISHINGS per appraisal of Masterson (copy attached).		5,560.00
10.	REFUND OF PREPAID INSURANCE PREMIUMS: TRAVELERS POLICY #1035218 TRAVELERS POLICY #2455220	$ 51.71 1,271.17	1,322.88
11.	REFUND OF NEW YORK STATE DEPARTMENT OF LABOR, DIVISION OF EMPLOYMENT.		6.48
12.	PREPAID INTEREST ON MORTGAGE OF JAMAICA SAVINGS BANK, on 89-50 164th Street, Jamaica, Queens, to 12/31/68		4,218.75
TOTAL OTHER MISCELLANEOUS PROPERTY			$153,621.47

SCHEDULE G
TRANSFERS DURING DECEDENT'S LIFE

1. Did the decedent make any transfer described in the first paragraph (including the six subparagraphs) of the instructions for this schedule? ☐ Yes ☐ No

2a. Did the decedent, at any time, make a transfer (other than an outright transfer not in trust) of an amount of $5,000 or more without an adequate and full consideration in money or money's worth, but not believed to be includible in the gross estate as indicated in the first paragraph (including the six subparagraphs) of the instructions for this schedule? ☐ Yes ☐ No
If "Yes," furnish the following information:

2b. Date	2c. Amount or value	2d. Character of transfer

3a. Did the decedent, within 3 years immediately preceding his death, make any transfer of his property without an adequate and full consideration in money or money's worth? ☐ Yes ☐ No
If "Yes," and the transfer was of an amount of $1,000 or more, furnish the following information:

3b. Date	3c. Amount or value	3d. Character of transfer

3e. Motive which actuated decedent in making transfer

4. Were there in existence at the time of the decedent's death any trusts created by him during his lifetime? ☐ Yes ☐ No

5. If a Federal gift tax return(s) was ever filed, state the year(s) covered and the Internal Revenue district in which filed.

Item No.	Description	Subsequent valuation date	Alternate value	Value at date of death
1			$	$
	TOTAL (also enter under the Recapitulation, Schedule O)		$	$

(If more space is needed, insert additional sheets of same size)

ESTATE OF Anton L. Trunk

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SCHEDULE H
POWERS OF APPOINTMENT

1a. Did the decedent, at the time of death, possess a general power of appointment created after October 21, 1942? ☐ Yes ☒ No | 1b. On or before such date? ☐ Yes ☒ No

2a. Did the decedent, at any time, by will or otherwise, exercise or release (to any extent) a general power of appointment created after October 21, 1942? ☐ Yes ☒ No | On or before such date? ☐ Yes ☒ No

3. Were there in existence at the time of the decedent's death any trusts not created by him under which he possessed any power, beneficial interest, or trusteeship? ☐ Yes ☒ No

Item No.	Description	Subsequent valuation date	Alternate value	Value at date of death
1			$	$
	TOTAL (also enter under the Recapitulation, Schedule O)		$	$

(If more space is needed, insert additional sheets of same size)

SCHEDULE I
ANNUITIES

1a. Was the decedent, immediately before his death, receiving an annuity as described in paragraph 1 of the instructions? ☐ Yes ☐ No

1b. If "Yes," was that annuity paid pursuant to an approved plan as described in paragraph 4 of the instructions? ☐ Yes ☐ No

1c. If the answer to "1b." is "Yes," state the ratio of the decedent's contribution to the total purchase price of the annuity.

2a. If the decedent was employed at the time of his death, did an annuity or other payment as described in paragraph 3(d) of the instructions become payable to any beneficiary by reason of the beneficiary's having survived the decedent? ☐ Yes ☐ No

2b. If "Yes," state the ratio of the decedent's contribution to the total purchase price of the annuity.

Item No.	Description	Subsequent valuation date	Alternate value	Value at date of death
1			$	$
	TOTAL (also enter under the Recapitulation, Schedule O)		$	$

(If more space is needed, insert additional sheets of same size)

DEDUCTIONS

SCHEDULE J

FUNERAL EXPENSES AND EXPENSES INCURRED IN ADMINISTERING PROPERTY SUBJECT TO CLAIMS

NOTE.—Do not list on this schedule expenses of administering property not subject to claims. In connection with such expenses, see Schedule L.

If executors' commissions, attorneys' fees, etc., are claimed and allowed as a deduction for estate tax purposes, they are not allowable as a deduction in computing the taxable income of the estate for Federal income tax purposes.

Item No.	Description		Amount
	A. Funeral expenses:	$	
	George T. Davis, Inc.	626.20	
	Douglas Vought - reimbursement of advances to American Embassy in Madrid for expenses of removal of body of deceased to the United States	1,000.00	
	Total	x x x x x x x x	$ 1,626.20
	B. Administration expenses:		
1	Executors' commissions—amount estimated/agreed upon/paid. (Strike out words not applicable)	x x x x x x x x	waived
2	Attorneys' fees—~~amount estimated/agreed upon/paid~~ ESTIMATED (Strike out words not applicable)	x x x x x x x x	40,000.00
3	Miscellaneous expenses:		
	See schedule attached		22,683.82
	Total miscellaneous expenses	x x x x x x x x	
	TOTAL (also enter under the Recapitulation, Schedule O)		$ 64,310.02

(If more space is needed, insert additional sheets of same size)

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ESTATE OF ANTON L. TRUNK, DECEASED
Form 706 - Schedule J
Item 3 - Miscellaneous Administration Expenses

A.	Accounting fees (estimated)	$ 8,000.00
B.	Disbursements (estimated)	500.00
C.	New York Telephone Co. - office phone	14.41
D.	Cross & Brown Company -appraisal fee re: John & Nassau Streets; West 170th Street and 164th Street	2,250.00
E.	Cross & Brown Company - alternate appraisal fee- re: 164th Street	150.00
F.	Philip P. Masterson Company,Inc.- appraisal fee re: personal effects	400.00
G.	Raymond D. Porter - appraisal fee re: 11 Dogwood Lane,New Rochelle, N.Y.	100.00
H.	Helmsley-Spear,Inc. -office rent for July, August, September, October, November and December 1968 at $256.89 per month	1,541.34
I.	Helen L. Kent-reimbursement for office expenses per itemized list submitted	2,504.17
J.	New York Telephone Co. -office phone	13.40
K.	City Collector - Occupancy Tax 6/1/68-9/31/68	38.50
L.	New Rochelle School District -real estate tax, first half '68-'69 Block 1, Lot 295	753.43
M.	New Rochelle School District -real estate tax, first half '68-'69 Block 1, Lot 296	64.14
N.	New York City real estate taxes -first half '68-'69	353.97
O.	New York Telephone Co.-office phone	24.64
P.	New York Telephone Co.-office phone	12.95
Q.	Brokerage fee on sale of West 170th Street- William A. White & Co.	1,175.00

ESTATE TAX RETURN

Estate of Anton L. Trunk, Dec'd.
Schedule J, Item 3 - continued:

R.	Office supplies	$ 4.73
S.	Ofifce Building Employees Christmas Gratuities	90.00
T.	New York Telephone Company -office phone-final bill	2.36
U.	Real Estate Taxes, City of New Rochelle, first half '69 - Lot 295	1,017.66
V.	Real Estate Taxes, City of New Rochelle, first half '69 - Lot 296	86.63
W.	New Rochelle Water Company	28.70
X.	New Rochelle School Tax - second half '68-'69 Lot 295	753.43
Y.	New Rochelle School Tax - second half '68-'69 Lot 296	64.14
Z.	New Rochelle Water Company	10.08
AA.	Chemical Bank - safe deposit box	69.96
BB.	Bulkley & Horton Co. -homeowners policy 6/15/69-72	1,273.00
CC.	New Rochelle City real estate tax -second half '69 Lot 295	1,017.65
DD.	New Rocheile City real estate tax -second half '69 Lot 296	86.63
EE.	Internal Revenue Service - Fiduciary Income Tax 5/14/68 to 4/30/69	230.00
FF.	New York State fiduciary income tax - 5/14/68 to 4/30/69	32.00
GG.	New Rochelle Water Company	20.90
	TOTAL MISCELLANEOUS ADMINISTRATION EXPENSES.....	$ 22,683.82

SCHEDULE K

DEBTS OF DECEDENT AND MORTGAGES AND LIENS

Item No.	Debts of Decedent—Creditor and nature of claim, and allowable death taxes	Amount
1	See schedule	$
	TOTAL (also enter under the Recapitulation, Schedule O)	$ 186,276.07

Item No.	Mortgages and liens—Description	Amount
1		$
	TOTAL (also enter under the Recapitulation, Schedule O)	$ 382,765.63

(If more space is needed, insert additional sheets of same size)

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ESTATE TAX RETURN

ESTATE OF ANTON L. TRUNK, DECEASED

Form 706 - Schedule K
DEBTS OF DECEDENT

1.	Internal Revenue Service -'68 second quarter		$ 1,083.33
2.	New York State Income Tax Bureau -1968 second quarter		500.00
3.	Halat Realty Corporation, Inc. -1/2 First National City Bank escrow fee 5/31/67 - 5/31/68		50.00
4.	City Collector - Occupancy Tax		38.53
5.	City Collector - Occupancy Tax		6.00
6.	New York State Income Tax Bureau -withholding tax 1/1/68-6/30/68 -final return		52.50
7.	New York State Unemployment Insurance Fund -final return 4/1/68 - 5/31/68		10.31
8.	Bulkley & Horton Co. as follows:		
	(i) Continental Casualty Company, policy #912-90-11 for period 5/3/68 - 5/3/69	$ 168.00	
	(ii) Mt. Vernon Insurance Company, policy #EL3643 for period 5/3/68 - 5/3/69	314.00	
	(iii) Reliance Insurance Company, policy #AP-3-82-50-54 for period 5/3/68 - 5/3/69	293.00	775.00
9.	Bulkley & Horton Co. -insurance on 652 West 170th Street for period 3/9/68-3/9/69		85.00
10.	Kamerman & Kamerman -accounting services re:preparation of 1967 income tax returns and other services for period 1/1/68 - 5/14/68		2,500.00
11.	Lilias P. Girvin & Barbara G. Mahoney		147,071.49
12.	Helen L. Kent		34,103.91
	TOTAL DEBTS OF DECEDENT		$ 186,276.07

MORTGAGES & LIENS

A.	1/2 interest in mortgage held by Equitable Life Assurance Society on John & Nassau Streets, due 8/1/69 -outstanding balance of $495,531.25	$ 247,765.63
B.	Jamaica Savings Bank mortgage on 89-50 164th St., Jamaica, Queens.	135,000.00
	TOTAL MORTGAGES & LIENS	$ 382,765.63

SCHEDULE L

NET LOSSES DURING ADMINISTRATION AND EXPENSES INCURRED IN ADMINISTERING PROPERTY NOT SUBJECT TO CLAIMS

Item No.	Net losses during administration	Amount
1		$
	TOTAL (also enter under the Recapitulation, Schedule O)	$

Item No.	Expenses incurred in administering property not subject to claims (Indicate whether estimated, agreed upon, or paid.)	Amount
1		$
	TOTAL (also enter under the Recapitulation, Schedule O)	$

(If more space is needed, insert additional sheets of same size)

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BEQUESTS, ETC., TO SUR[VIVING] SPOUSE (MARITAL DEDUCTION)

If the decedent died testate, the person or persons filing ... should answer the following questions. Only question 4 should be answered in case the decedent died intestate. If the answer to any question is "Yes," full details should be submitted with the return.

1. Has any action been instituted to contest the will or any provision thereof affecting any property interest listed on this schedule or for construction ... or any such provision? ☐ Yes ☒ No

2a. Had the surviving spouse the ... declare an election between (i) the provisions made in his or her favor by the will and (ii) dower, curtesy, or ... ry interest? ☐ Yes ☒ No

2b. If answer to question 2a is "Yes," ... to take dower, curtesy, or a sta... ... e surviving spouse renounced the will and elected ... terest? ☐ Yes ☐ No

2c. Elected to take under the will. ☐ Yes ☐ No

2d. Does the surviving spouse contemplate renouncing the will and electing to take dower, curtesy, or a statutory interest? ☐ Yes ☐ No

3. According to the information and belief of the person or persons filing the return, is any action described under question 1 designed or contemplated? ☐ Yes ☒ No

4. According to the information and belief of such person or persons, has any person other than the surviving spouse asserted (or is any such assertion contemplated) a right to any property interest listed on this schedule, other than as indicated under questions 1 or 3? ☐ Yes ☒ No

Item No.	Description of property interests passing to surviving spouse	Value
1	House and lot, New Rochelle, New York (Schedule A - Item 1)	$ 85,000.00
2	House and lot, 652 West 170th Street, New York, N. Y. (Schedule A - Item 4)	23,500.00
3	Stocks (Schedule A)	90,120.62
4	Mortgages, notes and cash - Schedule C except item 7 and ... $10,000. specific bequest under par fifth (b) of Will	281,876.57
5	Joint property - Schedule E	392.72
6	Miscellaneous - Schedule F except items 5 and 12 and $300.00 of item 9 consisting of specific bequests pursuant to par third (c), (d), (e).	8,468.78
7	Insurance - schedule D, items 2 and 3	30,163.41

TOTAL		$ 519,522.10
Less: (a) Federal estate tax payable out of above-listed property interests	$	
(b) Other death taxes payable out of above-listed property interests		
Total of items (a) and (b)		
Net value of above-listed property interests (also enter under the Recapitulation, Schedule O)		$ 519,522.10

(If more space is needed, insert additional sheets of same size)

ESTATE OF ...Anton L. Trunk... Schedule M—Page 29

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SCHEDULE N

CHARITABLE, PUBLIC, AND SIMILAR GIFTS AND BEQUESTS

If the transfer was made by will—

(a) Has any action been instituted to have interpreted or to contest the will or any provision thereof affecting the charitable deductions claimed in this schedule? ☐ Yes ☒ No

(b) According to the information and belief of the person or persons filing the return, is any such action designed or contemplated? ☐ Yes ☒ No

Item No.	Name and address of beneficiary	Character of institution	Amount
1	Trust #1 under par. sixth Beneficiary - St. John's Episcopal Church, Larchmont, N. Y. Net value, $225,000. x .3181	Church	$ 71,572.50
2	Trust #2 under par. seventh Beneficiary - Presbyterian Home for Aged Women in the City of New York Net value - $427,234.37 x.3517	Nursing Home	150,258.33
3	Trust #3 under par. seventh Beneficiary - St. John's Episcopal Church of Larchmont, N. Y.	Church	1,555.00

TOTAL		$ 223,385.83
Less: (a) Federal estate tax payable out of above-listed property interests	$	
(b) Other death taxes payable out of above-listed property interests		
Total of items (a) and (b)		
Net value of above-listed property interests (also enter under the Recapitulation, Schedule O)		$ 223,385.83

(If more space is needed, insert additional sheets of same size)

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RECAPITULATION

Schedule	Gross estate	Alternate value	Value at date of death
A	Real estate	$	$ 1,143,500.00
B	Stocks and bonds		90,120.62
C	Mortgages, notes, and cash		302,696.57
D	Insurance		55,163.41
E	Jointly owned property		392.72
F	Other miscellaneous property		153,621.47
G	Transfers during decedent's life		
H	Powers of appointment		
I	Annuities		
	TOTAL GROSS ESTATE	$	$ 1,745,494.79

Schedule	Deductions	Amount	
J	1. Funeral expenses and expenses incurred in administering property subject to claims	$ 64,310.02	
K	2. Debts of decedent	186,276.07	
K	3. Mortgages and liens	382,765.63	
	4. Total of items 1 through 3	$ 633,351.72	
	5. Allowable amount of deductions from item 4 (see note*)	$ 633,351.72	
L	6. Net losses during administration		
L	7. Expenses incurred in administering property not subject to claims		
	8. Total of items 5 through 7		$ 633,351.72
M	9. Bequests, etc., to surviving spouse	$ 519,522.10	
	10. Adjusted gross estate (see note**)	1,112,143.07	
	11. Net amount deductible for bequests, etc., to surviving spouse (item 9 or one-half of item 10, whichever is smaller)		519,522.10
N	12. Charitable, public, and similar gifts and bequests		223,385.83
	TOTAL ALLOWABLE DEDUCTIONS except exemption (totals of lines 8, 11, and 12)		$ 1,376,259.65

*Note.—See paragraph 1 of the instructions.

**Note.—Enter at item 10 the excess of "TOTAL GROSS ESTATE" over item 8, if the decedent and his surviving spouse at no time held property as community property. If property was ever held as community property, compute the "Adjusted gross estate" (item 10) in accordance with the instructions and example on page 32, and attach an additional sheet showing such computation.

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ESTATE TAX RETURN

SCHEDULE P

TAXABLE ESTATE—RESIDENT OR CITIZEN

Instructions.—This Schedule Should be Used only for the Estate of a Resident or Citizen of the United States

1. Total gross estate		$ 1,745,494.79
2. Total allowable deductions	$1376259.65	
3. Exemption	60,000.00	
4. Total deductions plus exemption		1,436,259.65
5. Taxable estate (item 1 minus item 4)		$ 309,235.14

SCHEDULE Q

TAXABLE ESTATE—NONRESIDENT NOT A CITIZEN OF THE UNITED STATES

Instructions.—This schedule should be used only for the estate of a nonresident not a citizen of the United States. See instructions under "Deduction of administration expenses, claims, etc." on page 39. See also instructions under "Exemption" on page 39 for amount of exemption and names of countries, the estates of whose residents qualify for the "prorated exemption." If decedent was domiciled in Canada and died after December 31, 1959, see "Convention with Canada" on page 39 regarding special exemption and tax computation. Use Form 706g (Schedule Q (2)) instead of Schedule Q in case of decedent who at the time of his death was domiciled in France or Greece and was not a citizen of the United States. (If the "prorated exemption" is claimed under the Japanese convention, the numerator of the fraction set forth in item 7 is the value of the property situated in the United States and subjected to tax by both Japan and the United States.) The value to be entered for item 2 includes real property situated outside of the United States if required to be included in the gross estate by General Instruction J, page 4.

1. Value of gross estate in the United States (Schedules A, B, C, D, E, F, G, H, and I)	$
2. Value of gross estate outside the United States (must be supported by proof described in instructions under "Deduction of administration expenses, claims, etc.," on page 39)	
3. Value of total gross estate wherever situated (item 1 plus item 2)	$
4. Gross deductions under Schedules J, K, and L	$
5. Net deductions under Schedules J, K, and L (that proportion of item 4 that item 1 bears to item 3)	$
6. Charitable, public, and similar gifts and bequests (Schedule N)	
7. Exemption of $2,000 (in estates qualifying for "prorated exemption," use $2,000 or $\frac{\text{item 1}}{\text{item 3}} \times \$60{,}000$, whichever is the greater)	
8. Total deductions plus exemption (item 5 plus items 6 and 7)	$
9. Taxable estate (item 1 minus item 8)	$

SCHEDULE R

CREDIT FOR TAX ON PRIOR TRANSFERS

Name of transferor	Date of transferor's death

Transferor's residence at time of death

COMPUTATION OF THE CREDIT

PART I—TRANSFEROR'S TAX ON PRIOR TRANSFERS	
1. Net value of transfers	$
2. Value of transferor's estate (adjusted in accordance with instructions for item 2)	$
3. Tax on transferor's estate (adjusted in accordance with instructions for item 3)	$
4. Transferor's tax on prior transfers (proportion of item 3 which item 1 bears to item 2)	$
PART II—TRANSFEREE'S TAX ON PRIOR TRANSFERS	
5. Transferee's tax computed without regard to credit allowed under this schedule	$
6. Transferee's reduced gross estate	$
7. Transferee's deductions (adjusted in accordance with instructions for item 7)	
8. Transferee's reduced taxable estate (item 6 minus item 7)	$
9. Tax on reduced taxable estate	
10. Transferee's tax on prior transfers (item 5 minus item 9)	$
PART III—CREDIT ALLOWABLE	
11. Maximum amount before application of percentage requirement (item 4 or item 10, whichever is smaller)	$
12. Percent allowable is	
13. Credit allowable (item 12 × item 11)	$

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ESTATE TAX RETURN

INSTRUCTIONS — SCHEDULE S—Continued

(b) Computation of credit in cases where property is situated outside both countries or deemed situated within both countries.—In such cases consult the appropriate treaty for details.

3. Example of computation of credit under the Statute.—The decedent was a citizen of, and domiciled in, the United States at the time of his death. The gross estate consisted of real property in M country valued at $60,000; stocks of United States corporations, $90,000; bonds of corporations organized under the laws of M country, $45,000; and stocks of corporations organized under the laws of M country, $75,000. On the date of death, all of the stock and bond certificates were in a bank vault in the United States. Debts and administration expenses total $20,000. The M country real property valued at $60,000 and $10,000 of the stocks of M country corporations passed to the decedent's surviving spouse and the latter items qualified for and were allowed as a marital deduction. The amount of the gross Federal estate tax less credit for State inheritance taxes is $25,820. The amount of the M country inheritance tax imposed on the widow's inheritance of $70,000 is $21,000. The value of the daughter's inheritance is $65,000, consisting entirely of stocks of M country corporations. The amount of the M country inheritance tax imposed on the daughter's inheritance is $19,500. M country did not impose inheritance tax on the bonds issued by the M country corporations.

Schedule S is filled [illegible] lows:

1. Amount of est[illegible] eritance, legacy and succession t[illegible] posed in the above country attrib[illegible] to property situated in that country, [illegible] subjected to such taxes, and inclu[illegible] the gross estate (as defined by statu[illegible]	$40,500.00
2. Value of the gross estate (adjusted)	$200,000.00
3. Value of property situated in that country, and s[illegible] ted to death taxes imposed in that co[illegible]try, and included in the gross estate (adjusted)	$65,000.00
4. Federal estate tax before allowance of credit for foreign death taxes	$25,820.00
5. Amount of Federal estate tax attributable to property specified at item 3 (proportion of item 4 that item 3 bears to item 2)	$8,391.50
6. Credit for death taxes imposed in the above country (item 1 or item 5, whichever is the smaller)	$8,391.50

SCHEDULE S

CREDIT FOR FOREIGN DEATH TAXES

List all of the foreign countries to which death taxes have been paid, credit for the payment of which is claimed on this return .....

If credit is claimed for death taxes paid to more than one foreign country, compute the credit for taxes paid to one country on this sheet and use a separate copy of Schedule S for each of the other countries. The copies of Schedule S on which the additional computations are made should be attached hereto.

The credit computed on this sheet is for .....
(Name of death tax or taxes)

..... imposed in .....
(Name of country)

Credit is computed under the .....
(Insert "treaty" or "statute")

COMPUTATION OF THE CREDIT

(All amounts and values shown hereunder must be entered in United States money)

1. Amount of estate, inheritance, legacy and succession taxes imposed in the above country attributable to property situated in that country, and subjected to such taxes, and included in the gross estate (as defined by statute).... $.....

2. Value of the gross estate (adjusted, if necessary, in accordance with instructions for item 2)..... $.....

3. Value of property situated in that country, and subjected to death taxes imposed in that country, and included in the gross estate (adjusted, if necessary, in accordance with instructions for item 3)..... $.....

4. Federal estate tax before allowance of credit for foreign death taxes..... $.....

5. Amount of Federal estate tax attributable to property specified at item 3 (proportion of item 4 that item 3 bears to item 2)..... $.....

6. Credit for death taxes imposed in the above country (item 1 or item 5, whichever is the smaller)..... $.....

432—16—77750-2

DECLARATION

Under penalty of perjury, I declare that this return, including any accompanying statements, has been examined by me, and is, to the best of my knowledge and belief, a true, correct, and complete return, made in good faith pursuant to the Internal Revenue Code and the regulations thereunder.

(Date)	(Signature of executor, administrator, etc.)	(Address)

DECLARATION OF ATTORNEY OR AGENT PREPARING RETURN

Under penalties of perjury, I declare that I prepared this return for the person or persons whose signature(s) appear(s) above and that this return, including any accompanying schedules and statements, is, to the best of my knowledge and belief, a true, correct and complete return based on all the information relating to the matters required to be reported in this return of which I have any knowledge.

(Date)	(Signature of preparer (individual or firm) other than executor, administrator, etc.)	(Address)

TABLE A

COMPUTATION OF GROSS ESTATE TAX

Taxable estate equal to or more than— (1)	Taxable estate less than— (2)	Tax on amount in column (1) (3)	Rate of tax on excess over amount in column (1) (4)
			(*Percent*)
0	$5,000	0	3
$5,000	10,000	$150	7
10,000	20,000	500	11
20,000	30,000	1,600	14
30,000	40,000	3,000	18
40,000	50,000	4,800	22
50,000	60,000	7,000	25
60,000	100,000	9,500	28
100,000	250,000	20,700	30
250,000	500,000	65,700	32
500,000	750,000	145,700	35
750,000	1,000,000	233,200	37
1,000,000	1,250,000	325,700	39
1,250,000	1,500,000	423,200	42
1,500,000	2,000,000	528,200	45
2,000,000	2,500,000	753,200	49
2,500,000	3,000,000	998,200	53
3,000,000	3,500,000	1,263,200	56
3,500,000	4,000,000	1,543,200	59
4,000,000	5,000,000	1,838,200	63
5,000,000	6,000,000	2,468,200	67
6,000,000	7,000,000	3,138,200	70
7,000,000	8,000,000	3,838,200	73
8,000,000	10,000,000	4,568,200	76
10,000,000	----------	6,088,200	77

TABLE B

COMPUTATION OF MAXIMUM CREDIT FOR STATE DEATH TAXES

Taxable estate equal to or more than— (1)	Taxable estate less than— (2)	Credit on amount in column (1) (3)	Rate of credit on excess over amount in column (1) (4)
			(*Percent*)
0	$40,000	0	None
$40,000	90,000	0	0.8
90,000	140,000	$400	1.6
140,000	240,000	1,200	2.4
240,000	440,000	3,600	3.2
440,000	640,000	10,000	4.0
640,000	840,000	18,000	4.8
840,000	1,040,000	27,600	5.6
1,040,000	1,540,000	38,800	6.4
1,540,000	2,040,000	70,800	7.2
2,040,000	2,540,000	106,800	8.0
2,540,000	3,040,000	146,800	8.8
3,040,000	3,540,000	190,800	9.6
3,540,000	4,040,000	238,800	10.4
4,040,000	5,040,000	290,800	11.2
5,040,000	6,040,000	402,800	12.0
6,040,000	7,040,000	522,800	12.8
7,040,000	8,040,000	650,800	13.6
8,040,000	9,040,000	786,800	14.4
9,040,000	10,040,000	930,800	15.2
10,040,000	----------	1,082,800	16.0

ESTATE OF .....

U.S. GOVERNMENT PRINTING OFFICE 650—16—77780-1

LAST WILL AND TESTAMENT

OF

ANTON L. TRUNK, ESQ.

I, ANTON L. TRUNK, a resident of Pryer Manor, in the City of New Rochelle, New York, do make, publish and declare the following to be my Last Will and Testament:

FIRST: I revoke any and all wills and codicils heretofore made by me.

SECOND: I direct my just debts and funeral expenses be paid as soon after my decease as may be practicable.

THIRD: All the rest, residue and remainder of my property, both real and personal and wheresoever situate, I give, devise and bequeath to my beloved wife, CLARA POEY TRUNK, to be hers, absolutely and forever, except as hereinafter otherwise specifically provided.

FOURTH: For upwards of forty years, my secretary, HELEN L. KENT, has rendered to me most faithful, efficient and invaluable services which in no small measure have contributed directly to the success of my business ventures. During my life, I have provided her with means sufficient to maintain her comfortably during her lifetime and now make certain additional provisions for her as hereinafter set forth.

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WILL OF ANTON L. TRUNK

FIFTH: Notwithstanding the provisions of Paragraph THIRD hereof, I give and bequeath: (a) the first and second mortgages held by me on the property at 30 Concord Avenue, Larchmont, Westchester County, New York, to BARBARA G. MAHONEY; (b) to LILIAS P. GIRVIN, the sum of TEN THOUSAND FIVE HUNDRED DOLLARS (to approximate the value of the bequest of the mortgages in (a) hereof); (c) my amethyst p[illegible]ky ring to EDWARD T. MAHONEY; (d) my dress shirt studs and dress shirt cuff links to EDMUND F. WAGNER; and (e) my gold wrist watch (Patek Philippe) and watch bracelet to DOUGLAS VOUGHT.

TRUST NUMBER ONE

SIXTH: Notwithstanding the provisions of Paragraph THIRD hereof, I give, devise and bequeath to CHEMICAL BANK NEW YORK TRUST COMPANY of 277 Park Avenue, New York, New York, and to HAROLD J. TREANOR of 12 East 41st Street, New York, New York, AS TRUSTEES AND IN TRUST NEVERTHELESS, all of my property on the west side of 164th Street, Jamaica, Long Island, New York, now under lease to FIRST NATIONAL CITY BANK (formerly THE NATIONAL CITY BANK OF NEW YORK) upon part of which said Bank has erected a building, together with the lease to said Bank dated the 16th

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day of November, 1948, amended by agreement dated the 23rd day of October, 1953, and amended and consolidated by agreement dated the 24th day of September, 1956, and as may hereafter be amended, and I direct my said TRUSTEES to collect the entire income therefrom and apply and pay over said income as follows:

(a) To the payment and discharge of any and all liabilities and obligations arising out of or connected with the operation and maintenance of the trust property including, but not limited to, the payment of interest and amortization of mortgages, the discharge and satisfaction of mortgages, the payment of taxes and water charges, if any, as well as the payment of administration, legal expenses and Federal and State Estate Taxes and Income Taxes.

(b) To the payment out of the remaining net income of the following amounts to the following named persons:

(1) To my wife, CLARA POEY TRUNK, during her life, the sum of TEN THOUSAND DOLLARS, annually, plus all of the annual rent income remaining after the payments required by subdivisions (2), (3), (4) and (5) hereof;

(2) To HELEN L. KENT, during her life, the sum of THREE THOUSAND DOLLARS, annually;

(3) To FRANK P. POEY, during his life, the sum of THREE THOUSAND DOLLARS, annually;

(4) To ANN K. MACKENZIE, during her life, (except as hereinafter provided in subdivision (c) hereof) the sum of ONE THOUSAND TWO HUNDRED DOLLARS, annually; and

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WILL OF ANTON L. TRUNK

(5) To LULU HAMMOND, during her life, the sum of ONE THOUSAND TWO HUNDRED DOLLARS, annually.

If any of the persons above named in this Paragraph SIXTH shall die prior to the termination of this trust leaving my wife, CLARA POEY TRUNK, surviving, I order and direct my TRUSTEES thereafter to pay over the income which such deceased person would have been entitled to receive, if living, to my said wife, CLARA POEY TRUNK, during her life and, upon her death, such income payments, including those to which my wife, CLARA POEY TRUNK, would have been entitled to receive, if living, shall be paid to HELEN L. KENT, during her life. Upon the death of HELEN L. KENT, if she shall survive my wife, CLARA POEY TRUNK, or upon the death of my wife, CLARA POEY TRUNK, if she shall survive HELEN L. KENT, I order and direct my TRUSTEES to pay over the income to which the survivor of either CLARA POEY TRUNK or HELEN L. KENT would have been entitled to receive, as aforesaid, to CLARA M. GIRVIN; and upon the death of CLARA M. GIRVIN or if she shall not survive my wife, CLARA POEY TRUNK, and HELEN L. KENT, I order and direct my TRUSTEES to pay over the net income of this trust to LILIAS P. GIRVIN and BARBARA G. MAHONEY, in equal shares, and, upon the death of either of them, to the survivor of them.

(c) Upon the decease of all of the beneficiaries mentioned in subdivision (b) hereof, or if either ANN K. MACKENZIE or LULU HAMMOND shall be the last survivor of the beneficiaries mentioned therein, this trust shall cease and terminate and thereupon I direct my TRUSTEES to transfer, deliver and convey the property constituting the principal of this trust to ST. JOHN'S EPISCOPAL CHURCH OF LARCHMONT, NEW YORK, to be its property, abso-

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WILL OF ANTON L. TRUNK

lutely and forever, but subject, nevertheless, to existing mortgages, leases, encumbrances, taxes and liens, if any. As this bequest is to commemorate my wife's memory and to give recognition to her charitable labors, I direct that this gift be known as, and referred to as THE CLARA POEY TRUNK FUND.

In making said CHURCH the beneficiary of this trust, I have done so because of the deep and real affection of my wife, CLARA POEY TRUNK, and myself, for KENNETH E. MACKENZIE and his wife, ANN K. MACKENZIE, and also because of the splendid work that they have been doing for ST. JOHN'S. Accordingly, it is my earnest wish and desire that from this bequest the CHURCH out of respect for the wishes of myself and of my wife, annually make a payment in the sum of $5,000.00 to KENNETH E. MACKENZIE and his wife, ANN K. MACKENZIE, jointly, or to the survivor of them. I urge and request that the CHURCH honor our wishes whether or not KENNETH E. MACKENZIE is the Rector of ST. JOHN'S EPISCOPAL CHURCH OF LARCHMONT, NEW YORK, and whether or not but one spouse is living.

(d) I direct that said TRUSTEES are not to mortgage said property constituting the trust for more than the amount of any mortgage indebtedness on said property at the time of my decease except that if, in the exercise of sound judgment, said TRUSTEES determine that there is need for increased mortgage indebtedness, and my said TRUSTEES shall so certify in writing, then and in that event, said TRUSTEES have the right to mortgage said property in an amount exceeding the amount of the mortgage indebtedness existing at the time of my decease, provided that the proceeds from any such increased or additional mortgage indebtedness be applied to and used solely and directly for the maintenance, benefit or improvement of said property.

Anything hereinabove to the contrary notwithstanding, in the event FIRST NATIONAL CITY BANK (formerly THE NATIONAL CITY BANK OF NEW YORK)

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WILL OF ANTON L. TRUNK

or any institution as successor thereof is no longer the lessee or tenant, the TRUSTEE may, in the exercise of sound discretion, mortgage the property constituting the trust for an amount in excess of that in existence at the time of my decease, provided the proceeds from such increased or additional mortgage are used to improve the property constituting the trust by the erection of a new building or buildings and/or enlargement of any existing building and/or its repair, alteration or modernization.

No obligation under the foregoing provisions shall be imposed upon any mortgagee to inquire or determine if the proceeds of any such mortgage loan are used and applied as above permitted; nor shall the violation of the aforesaid direction by my TRUSTEES in the use and application of the proceeds of such mortgage loan in any wise affect or impair the validity of any mortgage effecting the real property or the leases made in connection therewith, constituting the corpus of this trust.

(e) I expressly direct that my TRUSTEES shall not sell, exchange or deed out any of the real property being part of this trust as long as FIRST NATIONAL CITY BANK (formerly THE NATIONAL CITY BANK OF NEW YORK) or any institution as successor thereof or of approximately similar repute is the lessee or tenant of the property constituting this trust.

(f) In the event FIRST NATIONAL CITY BANK (formerly THE NATIONAL CITY BANK OF NEW YORK) or any institution as successor thereof or of approximately similar repute is no

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WILL OF ANTON L. TRUNK

longer the lessee or tenant and in the event my TRUSTEES shall certify in writing that, in their opinion, it is to the best interest of the trust created herein to sell, or lease, in whole or part, the property constituting the principal of this trust, then in such event, they are authorized to do so, in the case of a sale, at public or private sale and, in the case of a lease, either in whole or part, by private negotiation, under such terms and conditions as in their judgment are reasonable, proper and advantageous.

(g) I direct that in the event of any such sale, the net proceeds derived therefrom (including any mortgage or mortgages) shall constitute the principal of the trust created under this Paragraph SIXTH and I direct that my said TRUSTEES invest said proceeds in accordance with the provisions of Paragraph TENTH (a) hereof with a view to deriving from such investment (including payments received from such mortgage or mortgages) an income for the trust as nearly equal as possible to that theretofore received, and pay over such net income in accordance with the provisions of this Paragraph SIXTH.

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WILL OF ANTON L. TRUNK

(h) I direct that in the event of a lease or leases of the property constituting the principal of the trust or a part thereof, such lease or leases and the land and buildings covered thereby shall constitute the principal of the trust created under this Paragraph SIXTH, and I direct that my said TRUSTEES pay over the net income derived therefrom in accordance with the provisions of this Paragraph SIXTH.

(i) Notwithstanding the provisions of subdivision (b) of this Paragraph SIXTH, in the event that the net income during the existence of this trust in any year shall not be sufficient to pay the annual sum provided for my wife CLARA POEY TRUNK, for HELEN L. KENT, for FRANK P. POEY and for ANN K. MACKENZIE, then, and in such year, I direct that the net income shall be distributed so as first to provide for payment in full of the amount set forth for my wife, CLARA POEY TRUNK, and out of the remaining net income, to payment in full of the amount set forth to HELEN L. KENT, and out of the remaining net income, to pay to FRANK P. POEY and ANN K. MACKENZIE, shares proportionate to their bequests in (b) hereof.

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WILL OF ANTON L. TRUNK

(j) In the event that the net income in any year shall be insufficient to meet the annual payments provided for in subdivision (i) of this Paragraph SIXTH, then, and in such event, so long as both my wife, CLARA POEY TRUNK, and HELEN L. KENT shall survive, my TRUSTEES shall pay over the net income as follows: THREE THOUSAND DOLLARS per annum to HELEN L. KENT and the remaining net income to my wife, CLARA POEY TRUNK. But in the event that my said wife, CLARA POEY TRUNK, shall survive HELEN L. KENT, all of said net annual income provided for in this subdivision (j) shall be paid over by my TRUSTEES to my wife, CLARA POEY TRUNK. However, if said HELEN L. KENT shall survive my wife, CLARA POEY TRUNK, all of said net annual income provided for in this subdivision (j) shall be paid over by my TRUSTEES to HELEN L. KENT. Upon the demise of both CLARA POEY TRUNK and HELEN L. KENT (anything in this trust to the contrary notwithstanding), I direct my TRUSTEES to distribute the net income to the surviving beneficiaries mentioned in subdivision (b) hereof in the proportion in which they have been provided for in said subdivision (b) and, in default of such beneficiaries, such net income shall be distributed as provided in subdivision (c) hereof.

(k) I direct my TRUSTEES under this Paragraph SIXTH to make all payments in as nearly equal quarter-annual instalments as may be possible.

(l) I expressly direct that except as provided in subdivision (d) hereof, my TRUSTEES shall not mortgage the fee nor mortgage any lease being a part of this trust, but nothing herein contained shall be construed to prevent my TRUSTEES from renewing, extending, replacing, modifying or consolidating any mortgage or mortgages, provided the limitation as to amount as set forth in subdivision (d) hereof is strictly observed.

(m) Except as hereinbefore limited, the general powers granted to my TRUSTEES pursuant to Paragraph TENTH hereof and Section 11-1.1 of the Estate, Powers and Trusts Law of the State of New York (or any statute replacing such section of said Law) shall apply to the TRUSTEES named in this Paragraph SIXTH and to the trust created herein.

(n) If HAROLD J. TREANOR shall predecease me or permanently be unavailable or shall not qualify as TRUSTEE or, having qualified, shall die or become unable to act or refuse to do so, CHEMICAL BANK NEW YORK TRUST COMPANY, or its successor in interest, shall act as sole TRUSTEE. In the event that CHEMICAL BANK NEW YORK TRUST COMPANY shall not have a successor in interest, or it or its successor in interest shall refuse to act, I authorize, direct and empower CHEMICAL BANK NEW YORK TRUST COMPANY or its successor in interest, as the case may be, in the event it intends to terminate its TRUSTEESHIP, to nominate, constitute and appoint a SUCCESSOR TRUSTEE within thirty days prior to the termination of its TRUSTEESHIP and, in default of so doing, such SUCCESSOR TRUSTEE shall be nominated, constituted and appointed by order of the Surrogate's Court of Westchester County and, in the selection of such SUCCESSOR TRUSTEE, such Court shall select a bank or trust company having its principal office in the County of New York and having a repute and standing of approximately that of CHEMICAL BANK NEW YORK TRUST COMPANY, or its successor in interest. I also order and direct that in the event such SUCCESSOR TRUSTEE is nominated,

constituted and appointed by either CHEMICAL BANK NEW YORK TRUST COMPANY or its successor in interest, that it also shall select a bank or trust company having its principal office in the County of New York and having a repute and standing of approximately that of the CHEMICAL BANK NEW YORK TRUST COMPANY or its successor in interest. Such nomination, constitution and appointment (except in the case where such action is taken by said Surrogate's Court of Westchester County) shall be evidenced by a written instrument, executed in recordable form, and duly and promptly filed in the office of the Clerk of the Surrogate's Court, Westchester County.

TRUST NUMBER TWO

SEVENTH: Notwithstanding the provisions of Paragraph THIRD hereof, I give, devise and bequeath to CHEMICAL BANK NEW YORK TRUST COMPANY of 277 Park Avenue, New York, New York, and to HAROLD J. TREANOR of 12 East 41st Street, New York, New York, AS TRUSTEES AND IN TRUST NEVERTHELESS, all my right, title and interest in and to certain premises at the northeast corner of John and Nassau Streets, Borough of Manhattan, City of New York, known as 33-35-37-39 John Street and 76-78 Nassau Street, and I direct my said TRUSTEES to collect my share of the income therefrom and apply and pay over the said income as follows:

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WILL OF ANTON L. TRUNK

(a) To the payment and discharge of any and all liabilities and obligations arising out of or connected with the operation and maintenance of the trust property including, but not limited to, the payment of interest and amortization of mortgages, the discharge and satisfaction of mortgages, the payment of taxes and water charges, if any, as well as the payment of administration, legal expenses and Federal and State Estate Taxes and Income Taxes.

(b) To the payment quarter-annually to my wife, CLARA POEY TRUNK, of all of my share of net income from the aforesaid property during her life and, upon her death, all of my share of net income from the aforesaid property to LILIAS P. GIRVIN and BARBARA G. MAHONEY, in equal shares, and, upon the death of either of them, to the survivor of them.

(c) Upon the death of the survivor of the beneficiaries mentioned in subdivision (b) hereof, this trust shall cease and terminate and thereupon I direct my TRUSTEES to transfer, deliver and convey the property constituting the principal of this trust to the PRESBYTERIAN HOME FOR AGED WOMEN IN THE CITY OF NEW YORK, presently located at 49 East 73rd Street, New York, New York, to be its property, absolutely and forever, but subject, nevertheless, to existing mortgages, leases, encumbrances, taxes and liens, if any. As this bequest is to commemorate my wife's memory and to give recognition to her charitable labors, I direct that this gift be known as, and referred to as, THE CLARA POEY TRUNK FUND.

In the event my TRUSTEES shall certify in writing that it is requisite, necessary or desirable to borrow a sum of money, my said TRUSTEES are hereby authorized and empowered to do so up to, but not in excess of, the sum of $200,000.00 and for such purpose, to mortgage my aforesaid interest in the

property constituting the corpus of this trust, and to make, issue and deliver such bond or note and mortgage and any other instruments as may be proper and necessary. Said sum so borrowed shall be turned over, in whole or in part, to my wife, CLARA POEY TRUNK, if so requested by her in writing and/or used, in whole or in part, to pay and discharge any Federal or New York State Estate or Inheritance Taxes, under any of the provisions of this, my Will.

I hereby authorize and empower my TRUSTEES to sell the property constituting the principal of this trust when and if in their sound judgment it is expedient, desirable and advantageous to do so and they shall so certify in writing and I request that my TRUSTEES, if they shall decide to sell the trust property, advise the co-owners of the property of their decision.

I direct that, in the event of any sale of my share of said premises, the net proceeds derived therefrom (including any mortgage or mortgages) shall constitute the principal of the trust created under this Paragraph SEVENTH and I direct that my said TRUSTEES invest the proceeds (other than the mortgage or

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WILL OF ANTON L. TRUNK

mortgages) in accordance with the provisions of Paragraph TENTH (A) hereof with a view to deriving from such investment (including income from the aforesaid mortgage or mortgages) an income for the trust as nearly equal as possible to that theretofore being derived from my share of the premises immediately prior to such sale and pay over the net income thereof in accordance with the provisions of this Paragraph SEVENTH.

I also authorize my TRUSTEES to renew, extend, replace, increase, modify, consolidate or satisfy any mortgage or mortgages on the premises constituting the corpus of this trust for the purpose of, but not limited to, altering or repairing the existing building on the premises above described or erecting a new building in its place and stead.

I further authorize my TRUSTEES to make, execute and deliver any lease or leases and any renewals, replacements, extensions, modifications or cancellations thereof which affect or pertain to the premises constituting the corpus of this trust including, but not limited to, the modification, change or cancellation of any agreement in existence at the time of my decease if in their judgment it is advisable to do so.

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WILL OF ANTON L. TRUNK

If HAROLD J. TREANOR shall predecease me or permanently be unavailable or shall not qualify as TRUSTEE or, having qualified, shall die or become unable to act or refuse to do so, CHEMICAL BANK NEW YORK TRUST COMPANY, or its successor in interest, shall act as sole TRUSTEE. In the event that CHEMICAL BANK NEW YORK TRUST COMPANY shall not have a successor in interest, or it or its successor in interest shall refuse to act, I authorize, direct and empower CHEMICAL BANK NEW YORK TRUST COMPANY or its successor in interest, as the case may be, in the event it intends to terminate its TRUSTEESHIP, to nominate, constitute and appoint a SUCCESSOR TRUSTEE within thirty days prior to the termination of its TRUSTEESHIP and, in default of so doing, such SUCCESSOR TRUSTEE shall be nominated, constituted and appointed by order of the Surrogate's Court of Westchester County and, in the selection of such SUCCESSOR TRUSTEE, such Court shall select a bank or trust company having its principal office in the County of New York and having a repute and standing of approximately that of CHEMICAL BANK NEW YORK TRUST COMPANY, or its successor in interest. I also order and direct that in the event such SUCCESSOR TRUSTEE is nominated, constituted and appointed by either CHEMICAL BANK NEW YORK TRUST COMPANY or its

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WILL OF ANTON L. TRUNK

successor in interest, that it shall also select a bank or trust company having its principal office in the County of New York and having a repute and standing of approximately that of the CHEMICAL BANK NEW YORK TRUST COMPANY or its successor in interest. Such nomination, constitution and appointment (except in the case where such action is taken by said Surrogate's Court of Westchester County) shall be evidenced by a written instrument, executed in recordable form, and duly and promptly filed in the office of the Clerk of the Surrogate's Court, Westchester County.

TRUST NUMBER THREE

EIGHTH: Notwithstanding the provisions of Paragraph THIRD hereof, I give, devise and bequeath to EDMUND F. WAGNER of 37 Vernon Road, Scarsdale, New York, and to CHEMICAL BANK NEW YORK TRUST COMPANY of 277 Park Avenue, New York, New York, AS TRUSTEES AND IN TRUST NEVERTHELESS, all my right, title and interest in and to a certain Agreement dated the 12th day of April, 1960 (between HALAT REALTY CORPORATION, INC., of 11 East 44th Street, New York, New York, LIFE EXTENSION INSTITUTE, INC., of 11 East 44th Street, New York, New York, and ANTON L. TRUNK,

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WILL OF ANTON L. TRUNK

the Testator herein) including, but not limited to, the stock referred to therein and all payments of principal due and to become due under and pursuant to the terms, provisions and conditions of the aforesaid Agreement and I direct my said TRUSTEES to collect all such principal and apply and pay over the same to ST. JOHN'S EPISCOPAL CHURCH OF LARCHMONT, NEW YORK, except as hereinafter provided in subdivisions (a), (b) and (c) hereof:

(a) To the payment and discharge of any and all liabilities and obligations arising out of or connected with the operation and maintenance of the trust including, but not limited to, Federal and State Estate Taxes and Income Taxes, if any.

(b) To the payment to my wife, CLARA POEY TRUNK, during her life, of the annual net instalments of principal as they accrue and, upon her death:

(c) (1) To the payment to HAROLD J. TREANOR, during his life, of 50% of the annual net instalments of principal as they accrue and, upon his death, the said 50% which he would have received, if living, shall be paid to his wife, EDITH M. TREANOR, during her life, and, upon her death, the said 50% which she would have received, if living, shall be paid to HELEN L. KENT.

(2) To the payment to HELEN L. KENT, during her life, of 25% of the annual net instalments of principal as they accrue, and to the payment to LILIAS P. GIRVIN, during her life, of 25% of the annual net instalments of principal as they accrue. If HELEN L. KENT survives LILIAS P. GIRVIN,

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WILL OF ANTON L. TRUNK

she shall receive the 25% share which LILIAS P. GIRVIN would have received, if living. In like manner, if LILIAS P. GIRVIN survives HELEN L. KENT, she shall receive the 25% share which HELEN L. KENT would have received, if living.

(3) Upon the death of both HELEN L. KENT and LILIAS P. GIRVIN, the payment of the 50% of the annual net instalments of principal provided for in subdivision (2) hereof, as they accrue, shall be paid (per stirpes and not per capita) to the issue of BARBARA G. MAHONEY, surviving at the time of my decease. Upon the death of the survivor of EDITH M. TREANOR, HAROLD J. TREANOR and HELEN L. KENT, the payment of the 50% of the annual net instalments of principal provided for in subdivision (1) hereof, as they accrue, shall be paid to ST. JOHN'S EPISCOPAL CHURCH OF LARCHMONT, NEW YORK; and upon the death of the final survivor of the beneficiaries provided for in this subdivision (3), the remaining 50% of said annual net instalments of principal, as they accrue, shall likewise be paid to ST. JOHN'S EPISCOPAL CHURCH OF LARCHMONT, NEW YORK.

As this bequest is to commemorate my wife's memory and to give recognition to her charitable labors, I direct that this gift be known as, and referred to as, THE CLARA POEY TRUNK FUND.

While the said Agreement dated the 12th day of April, 1960 remains in effect, my share of the corporate TRUSTEE's commissions, as fixed by said Agreement, shall be a charge upon and paid out of the principal of the trust. The corporate TRUSTEE's commissions shall be paid before any disbursements of principal herein provided.

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WILL OF ANTON L. TRUNK

My TRUSTEES are hereby authorized and empowered in their sole discretion to amend, modify or cancel by written agreement with the other parties thereto, the said Agreement dated the 12th day of April, 1960, among HALAT REALTY CORPORATION, INC., LIFE EXTENSION INSTITUTE, INC., and myself, in any way they deem wise and to the best interests of those who are the actual or potential beneficiaries of the trust I have created hereunder.

I hereby clothe my TRUSTEES with all of the rights and powers possessed by me under and by virtue of the terms, provisions and conditions of said Agreement of April 12th, 1960 and hereby authorize and empower my TRUSTEES to take any and every action at law or equity to enforce, defend and sustain the terms, provisions and conditions of said Agreement of April 12th, 1960 made in my behalf as, in their sole discretion, they may deem advisable, necessary or expedient, and I authorize my TRUSTEES to engage counsel for any purpose that, in their discretion, they may deem advisable, necessary or expedient. My TRUSTEES are authorized to deduct from any principal or monies

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WILL OF ANTON L. TRUNK

of the trust any reasonable legal fees and any reasonable disbursements which they may incur in enforcing, defending and preserving said Agreement of April 12th, 1960 or in obtaining and collecting the principal and monies due or to become due under said Agreement.

If EDMUND F. WAGNER shall predecease me or permanently be unavailable or shall not qualify as TRUSTEE or, having qualified, shall die or become unable to act or refuse to do so, CHEMICAL BANK NEW YORK TRUST COMPANY, or its successor in interest, shall act as sole TRUSTEE. In the event that CHEMICAL BANK NEW YORK TRUST COMPANY shall not have a successor in interest, or it or its successor in interest shall refuse to act, I authorize, direct and empower CHEMICAL BANK NEW YORK TRUST COMPANY or its successor in interest, as the case may be, in the event it intends to terminate its TRUSTEESHIP, to nominate, constitute and appoint a SUCCESSOR TRUSTEE within thirty days prior to the termination of its TRUSTEESHIP and, in default of so doing, such SUCCESSOR TRUSTEE shall be nominated, constituted and appointed by order of the Surrogate's Court of Westchester County and, in the selection of such SUCCESSOR TRUSTEE, such Court shall select a bank or trust company having its principal

office in the County of New York and having a repute and standing of approximately that of CHEMICAL BANK NEW YORK TRUST COMPANY, or its successor in interest. I also order and direct that in the event such SUCCESSOR TRUSTEE is nominated, constituted and appointed by either CHEMICAL BANK NEW YORK TRUST COMPANY or its successor in interest, that it shall also select a bank or trust company having its principal office in the County of New York and having a repute and standing of approximately that of the CHEMICAL BANK NEW YORK TRUST COMPANY or its successor in interest. Such nomination, constitution and appointment (except in the case where such action is taken by said Surrogate's Court of Westchester County) shall be evidenced by a written instrument, executed in recordable form, and duly and promptly filed in the office of the Clerk of the Surrogate's Court, Westchester County.

TRUST NUMBER FOUR

NINTH: In the event that my wife, CLARA POEY TRUNK should predecease me or perish with me in common disaster or die under such circumstances that it cannot be determined whether she predeceased me, then and in any such event (except as to the

Ex. 2B

WILL OF ANTON L. TRUNK

portions of my estate disposed of pursuant to Paragraphs FIFTH, SIXTH, SEVENTH and EIGHTH), I give, devise and bequeath to CHEMICAL BANK NEW YORK TRUST COMPANY of 277 Park Avenue, New York, New York, and to HAROLD J. TREANOR of 12 East 41st Street, New York, New York, AS TRUSTEES AND IN TRUST NEVERTHELESS, my entire estate, including all of my property, both real and personal, which my said wife, would have taken pursuant to the provisions of Paragraph THIRD hereof had she survived me, as well as all bequests and devises made to me under the provisions of the will of my wife, CLARA POEY TRUNK, as well as the devises or bequests made under this Will which may have lapsed, and I direct my said TRUSTEES to collect the entire income therefrom and apply and pay over said income as follows:

(a) To the payment and discharge of any and all liabilities and obligations arising out of or connected with the operation and maintenance of the trust property including, but not limited to, the payment of interest and amortization of mortgages, the discharge and satisfaction of mortgages, the payment of taxes and water charges, if any, as well as the payment of administration, legal expenses and Federal and State Estate Taxes and Income Taxes.

(b) To the payment quarter-annually of the remaining net income in equal shares to LILIAS P. GIRVIN, BARBARA G. MAHONEY and CLARA M. GIRVIN.

Ex. 2B

WILL OF ANTON L. TRUNK

Upon the death of a beneficiary named in subdivision (b) hereof, all of her right and interest in and to the trust (except for the accrued income up to such time) shall cease; but the trust shall continue nevertheless under all of the terms, provisions and conditions contained herein and thereafter the income from the principal of said trust, which such deceased beneficiary would have received, if living, shall be divided equally among the surviving beneficiaries.

I authorize and empower my TRUSTEES at any time to make a partial distribution of principal to any beneficiary when, in their sole discretion, it may be advisable or necessary. In case of such partial distribution, the payment of income to such beneficiary shall be reduced proportionately. I further authorize and empower my TRUSTEES at any time to make a full distribution of principal on a pro rata basis to any beneficiary when, in their sole discretion, it may be necessary and, in such case, the trust as to such beneficiary shall terminate, but such distribution shall not affect the trust as to the remaining beneficiaries.

The trust created pursuant to this Paragraph NINTH

shall terminate when there shall be but one surviving beneficiary. Upon such happening, I direct my TRUSTEES to transfer and pay over the entire principal and any accumulated income to such surviving beneficiary.

If HAROLD J. TREANOR shall predecease me or permanently be unavailable or shall not qualify as TRUSTEE or, having qualified, shall die or become unable to act or refuse to do so, CHEMICAL BANK NEW YORK TRUST COMPANY, or its successor in interest, shall act as sole TRUSTEE. In the event that CHEMICAL BANK NEW YORK TRUST COMPANY shall not have a successor in interest, or it or its successor in interest shall refuse to act, I authorize, direct and empower CHEMICAL BANK NEW YORK TRUST COMPANY or its successor in interest, as the case may be, in the event it intends to terminate its TRUSTEESHIP, to nominate, constitute and appoint a SUCCESSOR TRUSTEE within thirty days prior to the termination of its TRUSTEESHIP and, in default of so doing, such SUCCESSOR TRUSTEE shall be nominated, constituted and appointed by order of the Surrogate's Court of Westchester County and, in the selection of such SUCCESSOR TRUSTEE, such Court shall select a bank or trust company having its principal

Ex. 2B

WILL OF ANTON L. TRUNY

office in the County of New York and having a repute and standing of approximately that of CHEMICAL BANK NEW YORK TRUST COMPANY, or its successor in interest. I also order and direct that in the event such SUCCESSOR TRUSTEE is nominated, constituted and appointed by either CHEMICAL BANK NEW YORK TRUST CORMPANY or its successor in interest, that it shall also select a bank or trust company having its principal office in the County of New York and having a repute and standing of approximately that of the CHEMICAL BANK NEW YORK TRUST COMPANY or its successor in interest. Such nomination, constitution and appointment (except in the case where such action is taken by said Surrogate's Court of Westchester County) shall be evidenced by a written instrument, executed in recordable form, and duly and promptly filed in the office of the Clerk of the Surrogate's Court, Westchester County.

TENTH: The following provisions and directions apply equally to the trusts and TRUSTEES named in Paragraphs SIXTH, SEVENTH, EIGHTH and NINTH hereof (except as I have otherwise directed, limited and provided in said Paragraphs):

Ex. 2B

WILL OF ANTON L. TRUNK

A. I hereby declare, and it is my will, that said TRUSTEES shall not be restricted to the investments provided by law or rule of court in which executors or trustees may invest, but shall have full power and authority to invest in any real estate, stocks, bonds or other securities which in their judgment are safe and for the best interest of my estate, and that all such property, whether in the original or the converted state, shall be subject to the powers, provisions, regulations and trusts herein contained.

B. In addition to the general powers with which a trustee may be clothed under the laws of the State of New York, I empower my TRUSTEES, in their sole discretion: (1) to mortgage the fee and to renew, extend, replace, modify, consolidate or satisfy any mortgages thereon; (2) to make, cancel, renew, extend, modify, consolidate or amend and to fulfill and carry out, or mortgage, any lease or leases or any underlying lease or leases or tenancies or agreements; (3) to demolish, alter, improve or repair any existing building or buildings or parts thereof and to erect a new structure or structures covering the whole or but a portion of the premises; (4) to institute such legal actions

or proceedings as may be advisable or necessary and to compromise or defend any claims, actions or proceedings; (5) to retain any of my property in the same form of investment in which it may be at the time of my decease, any law to the contrary notwithstanding; (6) to sell, either at public or private sale and at such times and in such manner and upon such terms and conditions as they shall deem most advantageous and for the best interests of my estae, the whole or any part thereof; (7) to make, execute and deliver any and all instruments that may be necessary or proper to carry out the provisions of trusts created under this Will; (8) to join in or consent to income and gift tax returns filed with or by my surviving spouse and to pay any part or all of the income or gift tax due upon such tax returns; (9) to determine whether to claim deductions available to me or to my estate on estate tax or on income or gift tax returns,. and to determine the date upon which to value my estate for estate tax purposes, all in such manner as may seem most advisable and without thereafter making any adjustment between income and principal on account of any such determination or between any trust funds; and (10) to do all or any of the foregoing to the same extent as I might or could do if I were

Ex. 2B

WILL OF ANTON L. TRUNK

living. The enumeration of specific powers, duties or obligations shall not be deemed to limit or curtail the general powers, duties or obligations of my TRUSTEES hereunder.

ELEVENTH: In making this Will I have made provision herein for those who are the natural object of my affection, interest, concernor or relationship and, in excluding anyone who may claim blood relationship to me, I have done so intentionally.

If any beneficiary named in Paragraph numbered FIFTH hereof shall predecease me, I give the bequest to which such beneficiary would be entitled had he or she survived me to my wife, CLARA POEY TRUNK.

TWELFTH: I nominate, constitute and appoint my wife, CLARA POEY TRUNK, as sole Executor hereunder. Upon her decease, or if she fails, refuses or is unable to qualify for any reason, HAROLD J. TREANOR shall serve as sole Executor. If neither of the aforesaid Executors shall be available or qualify, I nominate, constitute and appoint EDMUND F. WAGNER to serve as Executor. If none of the aforesaid shall be available and qualify, I nominate, constitute and appoint CHEMICAL BANK NEW YORK TRUST COMPANY (277 Park Avenue, New York, New York) or its

Ex. 2B

WILL OF ANTON L. TRUNK

successor in interest to serve as Executor.

I direct that none of my Executors or Trustees shall be required to furnish any bond or other security, jointly or severally, in this or any other jurisdiction.

The term "TRUSTEE" shall also be construed to mean and apply to "TRUSTEES" whenever the context so indicates and likewise where the term "he" or "him" is used, it shall also be construed to mean "it" or "its" whenever the context so indicates.

In each instance wherein HAROLD J. TREANOR is appointed as a CO-TRUSTEE, if any dispute or difference arise between him and his CO-TRUSTEE, the determination of HAROLD J. TREANOR shall control and be binding.

IN WITNESS WHEREOF, I have hereunto affixed my hand

Ex. 2B

WILL OF ANTON L. TRUNK

and seal this 27th day of December, 1967.

ANTON L. TRUNK (L.S.)
ANTON L. TRUNK

In the presence of:

CLAIRE S. TOWERS

LINDA PARR

SIGNED, SEALED, PUBLISHED and DECLARED as and for his Last Will and Testament by the above named Testator in the presence of each of us, who, at his request and in his presence and in the presence of each other, have hereunto set our names as witnesses thereto the day and year last above written.

CLAIRE S. TOWERS residing at 33-16 82 Street
Jackson Heights, N. Y.

LINDA PARR residing at 147-11 34 Avenue
Flushing, N. Y.

LETTER DATED JULY 23, 1971

MRS. ANTON L. TRUNK
APARTMENT 2C
ISLAND SOUTH
720 MILTON ROAD
RYE, NEW YORK 10580

July 23, 1971

Harold J. Treanor, Esq.
12 East 41st Street
New York, New York 10017

Dear Harold,

I hereby request you as trustee of Trust Number Two of the Will of my late husband, Anton L. Trunk to turn over and deliver to me the sum of $200,000.00 as my elective bequest as provided for in Paragraph Seventh of Tony's last will and testament.

As you know Tony always thought of me as the most important beneficiary of his estate and willed the residuary to me. Because of debts and administrative expenses, the amount remaining outright to me as residuary beneficiary was less than $365,000.00 out of an estate of over $1,000,000.00. It was to provide against a contingency such as this that Tony gave me the election of requesting up to an additional amount of $200,000.00. Although I know it will result in less of a bequest to the Presbyterian Home for Aged Women in the City of New York, I know that it would be Tony's wish that I receive this amount in view of the small remainder of the residuary which passes to me.

Sincerely yours,

Clara Poey Trunk

CLARA POEY TRUNK

Ex. 4D

LETTER DATED AUGUST 2, 1971

August 2, 1971

Mrs. Anton L. Trunk
Apartment 2C
Island South
720 Milton Road
Rye, New York 10580

Dear Clare,

I have received your request in writing that $200,000.00 should be turned over to you by me as Trustee of Trust Number Two. As you know I am authorized to borrow up to $200,000.00 and to turn it over to you if it is necessary or desirable to do so. In my judgement it is most desirable that your request for your elective bequest in the amount of $200,000.00 should be met as Tony provided under Paragraph Seventh of the Will.

As you correctly pointed out, the amount remaining outright to you after debts and administrative expenses which together amount to approximately $206,000.00 is only about $365,000.00 out of an estate of over $1,800,000.00. Although Tony always thought well of the Presbterian Home for Aged Women in the City of New York, he thought more of you, and burdened the charitable bequest to the Home not only with life estates to you, Lilias and Barbara, but also with an outright elective bequest to you.

Accordingly I will proceed to raise $200,000.00 and will deliver it to you as an outright bequest under Paragraph Seventh of the Will.

Sincerely yours,

BEST COPY AVAILABLE

HAROLD J. TREANOR

LETTER DATED AUGUST 10, 1971

August 10, 1971

Mrs. Anton L. Trunk
Apartment 2C
Island South
720 Milton Road
Rye, New York 10580

RE: TRUST NUMBER TWO UNDER THE WILL OF ANTON L. TRUNK

Dear Clara,

As Trustee of Trust Number Two Under the Will of Anton L. Trunk, I am handing you herewith a check of Trust Number Two drawn to your order in the amount of $198,500.00. This amount represents an outright distribution to you (less legal expenses) of the elective bequest provided for in paragraph SEVENTH of Tony's Will. No part of this bequest is subject to estate tax since the entire bequest qualifies for the marital deduction from the taxable estate.

Sincerely yours,

HAROLD J. TREANOR

HJT/rm

Ex. 6F

CHECK PAYABLE TO CLARA P. TRUNK
FROM TRUST #2

HAROLD J. TREANOR, TRUSTEE U/W
ANTON L. TRUNK, TRUST NO. 2

No. 0541 2

August 9 1971

1-8
210

PAY TO THE ORDER OF Clara P. Trunk $ 198.50

One Hundred Ninety-Eight and Fifty Hundredth — DOLLARS

FIRST NATIONAL CITY BANK
MADISON AVE. AT 42ND ST.
NEW YORK, N. Y. 10017

Harold J. Treanor
TRUSTEE

⑆0210⑈0008⑆ 00396789⑈ ⑈00198 50000⑈

FRONT SIDE

For deposit only
Clara P. Trunk

AUG 9 1971 9 1-120 9

BACK SIDE

"Excerpts from the Direct Examination of
Mr. Harold J. Treanor at the Proceedings
of the Tax Court held on March 17, 1975"

[8] Q Mr. Treanor, are you an attorney?

A I am.

Q When were you admitted to practice in New York?

A 1923.

Q Do you have any specialties?

A I specialize in real estate and trusts and estates.

Q Did you --

MS. HARWERTH: Your Honor -- pardon me. Your Honor, have you had a chance to review my memorandum of law with regard to this gentleman's testimony?

THE COURT: Yes. I have. I have.

MS. HARWERTH: Your Honor, but rather than waste time with the Court before he proceeds further, I would like to go ahead and formally object to any of his testimony.

THE COURT: Well, he hasn't asked him any questions yet, counsel. I can't rule on a -- the objection's overruled at this time.

MS. HARWERTH: All right.

MR. KAMERMAN: Did you know the decedent, Anton L. Trunk?

A I did.

Q Was he a client of yours?

[9] A He was.

Q When did he first become your client?

A 1932. About 1932.

Q Well, from that time until the date of his death, did he continue to be your client?

A Yes.

Q From time to time, did he ask you to prepare wills for him?

A He did.

Q Now, directing your attention to the will that's attached to the Stipulation of Facts as Exhibit 2-B, and which I believe you have a copy of in front of you, was that will typed in your office?

A Yes. I just want to make sure we're both talking about the same will. This is the one executed on the 27th day of December, 1967?

Q That's right.

A Yes. The answer is yes.

Q Do you know who directed the drafting of that will?

A Well, largely, Mr. Trunk. I had something to do with the phraseology of it, but his directions are those that run throughout that will.

Q Now, after the will was drafted, did you have occasion to discuss it with him?

[10] A I discussed it with him many times, stating that in my judgment he was drawing his will backwards. But, Mr. Trunk was a man of strong mind and he had his own ideas, not only about wills but about any topic that you would like to bring up. So, he said that, "This is the way I want it drawn." * * *

Q Now, specifically directing your attention to page 10 of the will, beginning with paragraph 7, --

A Yes.

Q Did you have occasion to discuss the contents of paragraph 7 with Mr. Trunk after he drafted the will?

A Yes, I did.

Q Did he say anything to you about the sum of

$200,000.00 that's referred to on pages 11 and 12?

MS. HARWERTH: Objection, Your Honor.

THE COURT: Now, let's see. Pages 11 and 12. Now, as the Court understands it, on the bottom of page 11, the trustees are entitled to borrow the sum of $200,000.00 if they deemed it necessary. And then having borrowed that sum, they're to turn it over to Clara Poe Trunk, if she asked for it. Is that --

[11] THE WITNESS: That, in sum is -- is what it says, Your Honor. It happened in a little reverse form, but that is --

THE COURT: Now, does the borrowing have anything to do with it? Suppose they had enough money?

THE WITNESS: Well, actually, at the time we could have had enough money if we wanted to make a sacrifice in the bonds that we had purchased. We had purchased certain bonds through the First National City Bank. And if we were to have effected a sale for the purpose of complying with her demand for this $200,000.00, we would have sustained a loss. So, in the best interest of our best judgment, and after conferring with the bank, we decided temporarily to borrow from the bank, and in that way satisfy her requests and make the payment as she was entitled to. * * *

[12] THE COURT: You realize that I haven't read this as carefully as you have, and all, but is there any other way -- basis of interpreting this than on the basis that the testator had given Miss Trunk certain income, and the income from certain property or a portion thereof, and then went on to say, "And if that isn't enough, you can give her $200,000.00 more," and go out and borrow, and do it, but that still is chargeable against income, isn't it?

MR. KAMERMAN: No. We see it --

EXCERPTS FROM TRANSCRIPT

THE COURT: This is just an advance payment of the income, isn't it?

MR. KAMERMAN: No. We see it altogether differently as explained by the decedent. The provision here, the direction to the trustees, was merely a direction with respect to where the source of the $200,000.00 was to come from. That is, if they considered it necessary, they could borrow the money.

THE COURT: Well --

MR. KAMERMAN: Now, the reason for that, Your Honor --

THE COURT: -- that -- let me interrupt you a minute. If -- if that paragraph or that sentence refers solely to the source of the money, where is the paragraph [13] that says she's to be paid anything?

MR. KAMERMAN: Well -- there is a provision. The -- it would be the second sentence of that clause, which appears on page 12. It says, "Said sum so borrowed shall be turned over, in whole or part, to my wife, Clara Trunk, if so requested by her in writing." Now, the witness will --

MS. HARWERTH: I would request Mr. Kamerman to finish that sentence, on the record.

MR. KAMERMAN: Well, I don't think the rest of it is material.

THE COURT: "And/or use, whole or in part --" the problem the Court sees with this, Mr. Kamerman, is that the only part of this will that -- the giving part is up there in sub-paragraph B, is it?

MR. KAMERMAN: Well, no. We don't see it that way at all, Your Honor. As we understand it, what the --

THE COURT: I mean, that's the way it's written. There's

no - - there's no donative paragraph, the paragraph beginning, "In the event - -" I don't see any donative effect at all there.

MR. KAMERMAN: Well --

THE COURT: They're saying they can borrow $200,000.00 and give it to her. or use it to pay taxes. But if they give it to her, they could only give it to her presumably under sub-paragraph B, isn't that right?

[14] MR. KAMERMAN: No. We understood that to be a direction to pay out of principal.

THE COURT: Well, I'd have to sustain the objection on that basis, because I don't think that there's any lack of clarity there.

MR. KAMERMAN: I'm sorry?

THE COURT: I say, on that basis, I would have to sustain the respondent's objection because in the form that this is -- this is drafted, why, --

MS. HARWERTH: Your Honor, respondent would like to request the Court to direct the parties to argue both issues on brief.

THE COURT: Well, I think if you want to argue it, we'd have to let the -- we ought to let the gentleman testify subject to a motion to strike and argue everything on the brief.

MS. HARWERTH: Your Honor, I would prefer not to -- to have the --

THE COURT: Because if the Court should rule in favor of petitioner's argument on this point, then, of course, the -- the clause would be, at least ambiguous, and the witness would be entitled to testify.

MS. HARWERTH: Your Honor, I believe that the witness's testimony with regard to the intent of the testator going behind the language of the will, would be clearly [15] violative of the parol evidence rule.

THE COURT: Well, that depends, counsel, on -- as your memorandum says, that rule only applies when it's clear.

MS. HARWERTH: Yes, Your Honor. And I state that the language of this paragraph is clear, and will make that argument on brief, that the language clearly indicates that the testator did not intend to have his wife obtain another $200,000.00 for her use and enjoyment, but instead intended to have -- for her to have it for payment of estate taxes, if that proved necessary.

THE COURT: Well --

MS. HARWERTH: Therefore, it would not qualify --

THE COURT: --I would say that that isn't clear either. * * *

[17] THE COURT: Well, the Court doesn't agree with you, so I guess that's -- that's -- that's the way the ball bounces. Objection overruled. I think we've demonstrated in our three way discussion here that the language is far from clear. You may proceed.

MR. KAMERMAN: Now, I had asked you whether you had occasion to discuss with Mr. Trunk this reference to the sum of $200,000.00 after he drafted the will?

A I did.

Q Now, can you tell me what was said in that conversation?

THE COURT: Now, when -- when did this take place?

THE WITNESS: Well, I used to have lunch with him, at least twice a week. And I would say I -- at least every year I drew a new will for him. Every year he went to Europe and before he would go -- that was know as "will time" in our office -- he drew a new will.

THE COURT: Now, was this similar language in the prior will?

EXCERPTS FROM TRANSCRIPT

THE WITNESS: My recollection is that it was. He wanted this as sort of a something she could fall back to and, indeed --

THE COURT: Well, then, when did this language appear if he drew one every year?

THE WITNESS: I -- I would be surmising when I [18] answer you, Your Honor. I can't tell you because I don't -- I destroy all wills, once they are no longer copies of the existing will. I would say it first appeared some several years ago, prior to -- meaning, prior to this will. Now, how many. whether it was five to ten, I couldn't tell you.

THE COURT: And what's this property we're talking about here?

THE WITNESS: The property is on the corner, the north-east corner of John and Nassau Streets. And he owned a one-half interest in that property. And the property was non-saleable by either of the interests. And in that situation, Trunk died. Now, I --

THE COURT: And what was the income from that property?

THE WITNESS: I don't know, because it was something that was handled through the -- I think Mr. Kamerman's firm and --

THE COURT: Well, how could you discuss this provision of the will if you didn't know what the income of the property was?

THE WITNESS: Because Mr. Trunk was dictating the will. And you either drew the will the way he wanted it, or you would not be his attorney.

THE COURT: Well, the Court would just like to point out that any discussion of this would, for all practical [19] purposes, be meaningless unless -- unless it was with reference to the amount of income we were talking about.

EXCERPTS FROM TRANSCRIPT

THE WITNESS: Well, the -- he -- he estimated -- I can put it to you this way: He often said that he thought the property was worth upwards of one million dollars, that it would bring that in the market. So, I can tell you on that basis, we did discuss numbers. Actually, after he died, I effected a sale of his one-half interest for more than that. $500,000.00, which was --

THE COURT: Well, you're talking about charging a property that was -- interest that was worth $500,000.00 with a $200,000.00 charge, aren't you?

MR. KAMERMAN: Well, that's right, Your Honor.

A I would like to point out that in the letter which reference, to which has been made, that Mrs. Trunk wrote me and that I replied to that letter to her under date of August 2, 1971, and cutting the letter just to the bare part we're talking about, I concluded -- but it contains this paragraph, "but also with an outright elective bequest to you accordingly. I will proceed to raise $200,000.00 and will deliver it to you as an outright bequest under paragraph 7 of the will. Sincerely yours," that I wrote on August 2, 1971.

MR. KAMERMAN: Those letters are attached to the stipulation as Exhibit 3-C and 4-D, Your Honor.

[20] THE COURT: Now, who were the other interests here that were adverse to her?

MR. KAMERMAN: Well, we did -- an accounting was filed and we'd like to offer that as an exhibit. In the accounting, the payment of $200,000.00 appears as a charge on the capital of trust number 2, and all of the remaining beneficiaries including the remainder man approved the accounting. Now, it wasn't adverse. Nobody objected. So, there was no adverse

hearing, but everybody was given adequate notice, and was accepted by the Court: and I would like to offer up at this time --

THE COURT: Have it identified and --

MR. KAMERMAN: A -- the accounting of Harold J. Treanor as trustee of trust number 2 under the will of Anton L. Trunk.

THE COURT: Mark that for identification, Mr. Clerk.

THE CLERK: Petitioner's Exhibit 7 for identification.

MS. HARWERTH: May I see a copy?

A VOICE: Is this the accounting or the release? Is that the accounting -- that's the release.

MR. KAMERMAN: Well, now, I'm sorry. The documents I'm offering is the release and discharge of Harold Treanor, and it contains numerous copies. There are three copies attached, and the reason for that is that the [21] different remainder men signed different copies.

THE COURT: Well, how do you know -- how do we know on what basis they released and discharged it?

MR. KAMERMAN: Well, I'm going to hand that up to Your Honor. I have the accounting itself.

THE COURT: Let's have the accounting first.

MR. KAMERMAN: Okay.

THE COURT: Let's mark that for identification.

MR. KAMERMAN: You want the accounting first.

THE COURT: See if counsel for the respondent has any objection.

THE CLERK: The accounting is Petitioner's Exhibit 7 for identification.

THE COURT: And then the acceptance or consents of the accounting.

EXCERPTS FROM TRANSCRIPT

MR. KAMERMAN: Yep.

THE COURT: Do you want to submit those?

MR. KAMERMAN: There are four altogether. If respondent would agree that we could just hand up one. They've all been signed by different people. I'll hand up all four.

MS. HARWERTH: All right. Are they all the same documents.

THE COURT: All right.

MR. KAMERMAN: It's all the same documents [22] except the last page.

THE COURT: Yeah, but we don't -- we want to make sure that we have all the names, so we'll take all of those. That's Exhibits 8 through 12 for identification. Now, does the respondent have any objection to receiving those documents in evidence?

MR. KAMERMAN: It would be 8 through 11, Your Honor.

THE COURT: 8 through 11. There's four. 8, 9, 10, 11. Right.

MS. HARWERTH: Now, only, Your Honor, to its relevancy.

THE COURT: Objection overruled. Now, you were the executor, Mr. Treanor?

THE WITNESS: Yes, Your Honor. And I'm not the executor of the will. I'm trustee of that trust, forgive me.

THE COURT: You were trustee of that trust?

THE WITNESS: That's right. I was not the -- Mrs. Trunk is the executor.

THE COURT: Yeah, I see. And you're the one who made this payment?

EXCERPTS FROM TRANSCRIPT

THE WITNESS: Yes, Your Honor.

THE COURT: And as trustee of the trust, how did you interpret paragraph 7 here?

THE WITNESS: That it was, as far as I was concerned, mandatory, that I had no discretion whatsoever if [23] Mrs. Trunk requested it. But, I regarded her request as one which was an elective, mandatory request; and I complied with it. And I know that from talking with Mr. Trunk.

THE COURT: Well, now, let me ask you this: Suppose at the time they owed some estate taxes?

MR. KAMERMAN: What?

THE COURT: Let's say that the -- that they owed $200,000.00 in additional estate taxes. Do you interpret this to mean that you could borrow $200,000.00 and give it to Mrs. Trunk, and that you'd still have to go out and borrow money someplace else to pay the estate taxes?

THE WITNESS: Yes. Yes, because that is disjunctive and Mrs. Trunk's right to the $200,000.00 was something that Mr. Trunk had impressed upon me.

THE COURT: Well, you tell me just what line on what page you get the idea that as a matter of right Mr. Trunk was making a bequest to Mrs. Trunk of $200,000.00.

THE WITNESS: On page 12, it's the language to which Mr. Kamerman referred to before. On the bottom of page 11 it starts and continues over to page 12. I'll pick up at the top of page 12, "Property constituting the corpus of this trust, and to make issue and deliver such bond, note, mortgage and any other instruments as may be proper and

necessary. Said sum so borrowed shall be turned over, in whole or in part, to my wife, Clara Poey Trunk." And at [24] that point, I stop functioning, if she demands it, because it goes on and says, "If so requested by her in writing."

THE COURT: You may proceed, Mr. Kamerman.

MR. KAMERMAN: Well, I don't want to be repetitive, but I would like to get directly the conversation that you were about to tell us about between yourself and Mr. Trunk regarding this paragraph 7 of the will, regarding trust number 2; and particularly in order not to waste too much time, regarding the payment to Mrs. Trunk.

THE COURT: Then let's get back again. When did the conversation take place?

THE WITNESS: These conversations took place, Your Honor, on numerous occasions. Let's see if I can again refresh my recollection when this will was drawn. It's the 27th of December, 1967. So, the -- he undoubtedly discussed that with me in perhaps January and February of 1968, because the will was a dominant thought in his mind; and I may offer a gratuitous remark with the permission of Your Honor [illegible] Mr. Kamerman, that Mrs. Harwerth made a gratuitous obser[illegible]tion that Mrs. Trunk had ample means upon which to live and that this sum --

THE COURT: Well, that doesn't make any difference in this. * * *

[25] MR. KAMERMAN: Well, I think, Mr. Treanor, if you could direct your attention to the discussions that you had with Mr. Trunk regarding - -

EXCERPTS FROM TRANSCRIPT

THE COURT: I want to know and -- when they discussed it, and --

THE WITNESS: Well, I have given you, Your Honor, my best recollection that the discussions on that, this subject of $200,000.00 took place with Mr. Trunk in January and February of --

THE COURT: Well, I thought you said he had these [26] things drawn just before he went abroad?

THE WITNESS: That is correct.

THE COURT: Well, if --

THE WITNESS: He went abroad in this year probably in April. He always -- in other words, when I say just before he went abroad, I don't mean the day before. I mean within three or four months before.

THE COURT: Well, I think I'll have to sustain the respondent's objection to any further line of testimony along these lines, and that it is too vague, it's self-serving; you have no time, place, event, or anything else.

THE WITNESS: Well, I think a course of business of that -- is shown between us, attorney and client, Your Honor. I have told you that every year practically, I drew a will for him.

THE COURT: Well, you'd have to get your -- you'd have to get your records and tell us when you had this place -- this conversation took place.

MR. KAMERMAN: Your Honor, the witness has said that they had these conversations from time to time shortly after it was drafted.

THE COURT: I know. That's the very reason why the Court

EXCERPTS FROM TRANSCRIPT

doesn't propose it, counsel. It could have been made before or after three prior drafts of this gentleman's will.

[27] MR. KAMERMAN: No. I asked him specifically if it was after this draft, and he said it was.

THE COURT: But, he doesn't know, though.

MR. KAMERMAN: He said it was.

THE WITNESS: I did say, Your Honor, in January and February, I'm sure, of 1968, I think is the year. That's correct.

THE COURT: Objection will be sustained.

MR. KAMERMAN: Your Honor, may I make an offer of proof?

THE COURT: You certainly may. What are you going to prove? Just tell us.

MR. KAMERMAN: Well, we're going to prove is that Mr. Trunk told Mr. Treanor that his wife was uppermost in his mind, and for that reason he put the residue clause as clause number 3 of the will, instead of putting it last, because he wanted to show that. And he also told him that this reference to the $200,000.00 was a direction that the $200,000.00 be paid to her; and that the reference at the beginning of the paragraph on page 11, which begins with the words, "In the event my trustees --" was a direction to the trustees as to where they were to get the money in view of the fact that the decedent knew that this trust would be composed of a piece of real estate, and that if his wife asked for the money, they might have to sell. And in [28] order to avoid such a sale, he was giving them an extraordinary power to go out and borrow without having to go into the Surrogates Court and request that power, so that the money would, in any event, be available; that this was Mr. Trunk's direction and that in spite

of Mr. Treanor's arguments - -

THE COURT: It seems to me, counsel, that the only way you can make any sense whatsoever out of this clause, and it's still consistent with all of this luncheon discussion, because the first thing I would think Mr. Treanor would point out to Mr. Trunk, if the discussion was along the lines that the counsel would like, is that "The will doesn't do that. Then you better change your will because it doesn't say what you say it says." Now, that's -- that's the only - - the only thing that would make sense is that all we're talking about here is the mechanics of payment. We're not talking about giving her any more than is given in the other parts of the will.

MR. KAMERMAN: Well, Your Honor, under New York Law, when you have a clause that is as ambiguous as this one, it is permissible - -

THE COURT: But, I'm not so sure it's even that ambiguous, counsel. That's what gives me trouble.

MR. KAMERMAN: Well, may I suggest that you permit the evidence to come in, and then decide later on?

THE COURT: Well, you made your proffer, and you - -

[29] MR. KAMERMAN: All right.

THE COURT: - - can argue on the brief as to -- it might be ambiguous in the sense as to whether or not it should be chargeable to her share of the principal or her share of the income. In other words, whether it's part of this charge of the residue remainder that he's distributing , or whether it's part of the income that he's distributing. But, as to saying that in addition to the rest and residue and in addition to the income of the trust she's to have $200,000.00, the Court just can't see

how you can read that into this will.

MR. KAMERMAN: Well --

THE COURT: But, I'll be glad to be persuaded.

MR. KAMERMAN: Well, we believe that if you'll take the time to read the entire will, and understand the -- the thinking, the motive and the design and plan of the decedent, you would agree that what he was saying was that if she asked for $200,000.00, she's to get it.

THE COURT: That's right. But that's --

MR. KAMERMAN: And then backwards and forwards, he says, "If you want to borrow the money, you can." And immediately following that, there's a paragraph that says, "If you want to sell the property, you can." But, in any event, she gets the $200,000.00.

THE COURT: The Court would - - there's no point in [30] us arguing this here, but I mean, it's very logical for the gentleman to say, "I'll give you the income from this and I'll give you the income from that, and I'll give you all the rest and residue. And presumably, if you have problems of liquidity or it isn't enough, or something, you - - the trustee can go out and borrow some money and give it to you." But, I just don't know how you can interpret that to mean that it is an addition to the - - to the bequest of the residue and the bequest of the income. I'll be glad to be persuaded.

MR. KAMERMAN: Well, okay. We've made our offer of proof, Your Honor, and we believe that that was the direction of the decedent.

EXCERPTS FROM TRANSCRIPT

THE COURT: But, I'm not so sure that that direction, as you call it, is inconsistent with what I have said.

MR. KAMERMAN: I understand that, Your Honor. Obviously, if the will is deemed by the Court not to be ambiguous, or vague, then naturally there would be no testimony. And the question is whether this is a clear direction or not, and taking into account the fact that --

THE COURT: Well, let me say this, counsel, that I don't -- I don't know that based on these vague type of conversations that the Court would be willing to accept this witness's testimony that Mr. Treanor (sic) specifically told him he's going to give her the residue, he's going to [31] give her the income, and he's going to give her $200,000.00 more, because if Mr. -- if the decedent was that specific, it would seem to the Court that as the person who was going to have to administer this, and the counsel and all involved here, Mr. Treanor would necessarily have to object and say, "But, wait a minute. You haven't done that. If that's what you intend to do, we better change it, because this document doesn't do what you say it does."

MR. KAMERMAN: Well, the witness testified that he did do that, and if it's not clear that he so testified, I could ask him again, and that --

THE COURT: Well, if Mr. -- if Mr. Trunk did talk, then elected not to change it, then I would assume that regardless of what he may have said --

MR. KAMERMAN: Trunk threatened to fire him.

EXCERPTS FROM TRANSCRIPT

THE COURT: - - deep in his own mind, he was going to leave it the way it was.

MR. KAMERMAN: Well, we can't get to it unless we get the testimony, Your Honor, but --

THE COURT: Well, I don't think we're getting any kind of testimony that will help us, counsel. So, I'll have to sustain respondent's objection.

MR. KAMERMAN: Very well. The record is not clear as to whether the full $200,000.00 was paid. I'd like to make an offer of proof that it was, in fact, paid, Your [32] Honor; and paid promptly after the request. * * *

MS. HARWERTH: As I understand it, Mr. Treanor collected legal fees from the $200,000.00 of $1,500.00. That resulted in $198,500.00. I believe that the check to the widow is attached as part of the stipulation as Exhibit 6-F. * * *

THE COURT: In other words, there's $200,000.00, less Mr. Treanor's fee was paid. Isn't that right, counsel?

MS. HARWERTH: Yes. $198,500.00. A check for that amount was issued to the widow.

THE COURT: Is that right, Mr. Kamerman? Isn't that what -- how are you going to prove that two hundred was paid to her, net?

[33] MR. KAMERMAN: Well, yes. The other $1,500.00 was owed by her to Mr. Treanor.

EXCERPTS FROM TRANSCRIPT

THE COURT: Oh. Well, that's all right. I don't care what we call it.

MR. KAMERMAN: Well, that's what it was.

THE COURT: For services, I guess, huh?

MR. KAMERMAN: It was for services, right.

THE COURT: All right.

MR. KAMERMAN: And so, he took -- at the same day that he gave the check to her --

THE COURT: Okay. We'll accept that.

MR. KAMERMAN: You want testimony on that, or is that just - -

THE COURT: No. * * *

THE COURT: Well -- let me ask, Mr. Kamerman this: How can we tell, or does the accounting that you've [34] submitted as an exhibit, make it clear that this $200,000.00 was not a part either of the residue or the income to which she was entitled?

MR. KAMERMAN: Yes, it does. Schedule D, attached to the accounting, is a statement of distribution of principal, and it shows the $200,000.00 paid to Mrs. Trunk as a distribution of principal.

THE COURT: Now, is it - -

MR. KAMERMAN: As far as the residue is concerned - -

THE COURT: Is it chargeable to the residue, or what is it charged to?

EXCERPTS FROM TRANSCRIPT

MR. KAMERMAN: Well, it reduces the balance of the trust so that the trust that started at $500,000.00 went to $300,000.00. Now, she continued to get the income for her life, and after her life, it went to some others, and eventually to a charity, who was the remainder man.

THE COURT: Right.

MR. KAMERMAN: And the remainder man and the other life tenants all agreed on this accounting, and gave in a release, so that they all understood it the same way, that this was a charge on the principal and not the income. * * *

ACCOUNTING FOR TRUST #2

Uniform Form of Account recommended by Commission on Estates

ACCOUNT FOR TRUSTEES

SURROGATE'S COURT
COUNTY OF WESTCHESTER

ACCOUNTING OF

HAROLD J. TREANOR

of Trust Number Two
as Trustee (x) under the Will of

ANTON L. TRUNK

Deceased.

File No. ..... 19.....

TO THE SURROGATE'S COURT OF THE COUNTY OF WESTCHESTER

The undersigned does hereby render the account of proceedings as follows:

Period of account from June 11, 1968

to April 30, 1973

This is an intermediate account.

The instructions concerning the schedules need not be stated at the head of each schedule. It will be sufficient to set forth only the schedule letter and heading.

For convenience of reference, the schedule letter and page number of the schedule should be put at the bottom of each sheet of the account.

PRINCIPAL

Schedule A

Statement of Principal Received

INSTRUCTIONS. If this be the first account of the trustee, this schedule must contain an itemized statement of all of the moneys or other property constituting principal which has been delivered to the trustee or which he was under a duty to collect and the date of receipt or acquisition of such money or property. If a prior account of such trustee has been judicially settled, this schedule should contain all assets chargeable to the trustee in the decree and all property subsequently received or which he was under a duty to collect.

Schedule A-1

Statement of Increases on Sales, Liquidation or Distribution

INSTRUCTIONS. This schedule must contain a full and complete statement of all realized increases derived from principal assets whether due to sale, liquidation, or distribution or any other reason. It should also show realized increases on new investments or exchanges. In each instance, the date of realization of the increase must be shown and the property from which said increase was derived must be identified.

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ACCOUNTING FOR TRUST #2

Schedule B

Statement of Decreases Due to Sales, Liquidatio Collection, Distribution or Uncollectibility

INSTRUCTIONS. This schedule must contain a full and complete statement of all realized decreases on principal assets whether due to sales, liquidation, collection, or distribution, or any other reason. It should show decreases on new investments or exchanges and also sales, liquidations or distributions that result in neither gain nor loss. In each instance, the date of realization of the decrease must be shown and the property from which said decrease was incurred must be identified. It should also report any asset which the trustee intends to abandon as worthless, together with a fu statement of the reasons for abandoning it.

Schedule C

Statement of Administration Expenses Chargeable to Principal

INSTRUCTIONS. This schedule must contain an itemized statement of all moneys chargeable to principal and paid for administration and other necessary expenses, together with the date and the reason for each expenditure.

Schedule C-1

Statement of Unpaid Administration Expenses

INSTRUCTIONS. This schedule must contain an itemized statement of all unpaid claims for administration and other necessary expenses, together with a statement of the basis for each such claim.

Schedule D

Statement of Distributions of Principal

INSTRUCTIONS. This schedule must contain an itemized statement of all moneys paid and property delivered out of the principal assets to the beneficiaries, stating their names and the date of payment or delivery.

Schedule E

Statement of New Investments, Exchanges and Stock Distributions

INSTRUCTIONS. This schedule must contain an itemized statement of (a) all new investments made by the trustee with the date of acquisition and cost of all property purchased, (b) all exchanges made by the trustee, specifying dates and items received and items surrendered: and (c) all stock dividends, stock splits, rights and warrants received by the trustee, showing the securities to which each relates and their allocation as between principal and income.

Schedule F

Statement of Principal Remaining on Hand

INSTRUCTIONS. This schedule must contain an itemized statement showing all property constituting principal remaining on hand, including a statement of all uncollected receivables and property rights due the trust estate.

INCOME

Schedule A-2

Statement of All Income Collected

INSTRUCTIONS. This schedule must contain a full and complete statement of all interest, dividends, rents and other income received, and the date of each receipt. Each receipt must be separately accounted for and identified, except that where a security has been held for an entire year, the interest or ordinary dividends may be reported on a calendar year basis.

ACCOUNTING FOR TRUST #2

Schedule C-2

Statement of Administration Expenses Chargeable to Income

INSTRUCTIONS. This schedule must contain an itemized statement of all moneys chargeable to income and paid for administration, maintenance and other expenses, together with the date and reason for each such expenditure.

Schedule D-1

Statement of Distributions of Income

INSTRUCTIONS. This schedule must contain an itemized statement of all moneys paid and of property delivered out of income to the beneficiaries, the date of payment or delivery thereof and the name of the person to whom payment or delivery was actually made. If more convenient, distributions of income to any one beneficiary may be reported by the calendar year.

Schedule F-1

Statement of Income on Hand

INSTRUCTIONS. This schedule must contain a statement showing all undistributed income.

AS TO GENERAL TRUST MATTERS

Schedule G

Statement of Interested Parties

INSTRUCTIONS. This schedule must contain the names of all persons entitled as income beneficiaries, remaindermen, or otherwise to share in the trust, with their post-office addresses, also the nature and the value of the interest of each such person; a statement that the records of this court have been searched for powers of attorney and assignments and encumbrances made and executed by any of the persons interested in or entitled to share in the trust, and a list detailing each power of attorney, assignment and encumbrance disclosed by such search, with the date of its record and the name and address of each attorney in fact and of each assignee and of each person beneficially interested under the encumbrance referred to in the respective instruments, and also whether the accounting party has any knowledge of the execution of any such power of attorney or assignment not so filed and recorded. Persons under disability must be so identified.

Schedule H

Computation of Commissions

INSTRUCTIONS. This schedule must contain a computation of the amount of commissions PAID OR DUE upon this accounting, separately stated for principal and income.

Schedule I

Statement of Other Pertinent Facts and of Cash Reconciliation

INSTRUCTIONS. This schedule must contain a statement of all other pertinent facts affecting the administration of the trust and the rights of those interested therein.

A cash reconciliation is also contained herein so that verification with bank statements and cash on hand per the account may be readily made.

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ACCOUNTING FOR TRUST #2

SUMMARY

The following is a summary statement of Trust #2 U/W/O Anton L. Trunk account:

PRINCIPAL ACCOUNT

CHARGES:

Amount shown by Schedule "A" (Principal received)	$ 502,234.37	
Amount shown by Schedule "A-1" (Realized increases on principal)	$ None	
Total principal charges		$ 502,234.37

CREDITS:

Amount shown by Schedule "B" (Realized decreases on principal)	$ None	
Amount shown by Schedule "C" (Administration expenses chargeable to principal)	$ 5,836.13	
Amount shown by Schedule "D" (Distributions of principal)	$ 200,000.00	
Total principal credits		$ 205,836.13
Principal balance on hand shown by Schedule "F"		$ 296,398.24

INCOME ACCOUNT

CHARGES:

Amount shown by Schedule "A-2" (Income collected)	$ 166,478.69	
Total income charges		$ 166,478.69

CREDITS:

Amount shown by Schedule "C-2" (Administration expenses chargeable to income)	$ 103,896.93	
Amount shown by Schedule "D-1" (Distributions of income)	$ 16,000.00	
Total income credits		$ 119,896.93
Balance of undistributed income remaining on hand as shown in Schedule F-1		$ 46,581.71

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ACCOUNTING FOR TRUST #2

COMBINED ACCOUNTS

Principal remaining on hand ..... $ 296,398.24

Income remaining on hand ..... $ 46,581.71

Total on hand ..... $ 342,979.95

The foregoing principal balance of $ 296,398.24 consists of $ 15,997.24 in cash and $ 280,401.00 in other property on hand as of the 30th day of April, 1973. It is subject to deduction of estimated principal commissions amounting to $ -0-, shown in Schedule H, and to the proper charge to principal of expenses of this accounting.

The foregoing income balance of $ 46,581.71 consists of $ 46,581.71 in cash and $ none in other property on hand as of the 30th day of April, 1973. It is subject to deductions of estimated income commissions amounting to $ -0- shown in Schedule H, and to the proper charge to income of expenses of this accounting.

The attached schedules are part of this account.

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.....

.....

Trustee

Ex. 7

ACCOUNTING FOR TRUST #2

SCHEDULE A

TRUST #2 U/W/O ANTON L. TRUNK

STATEMENT OF PRINCIPAL RECEIVED

REAL ESTATE

6/11/68	Premises at 72-78 Nassau Street, New York, N. Y.		
	Market Value	$750,000.00	
	Mortgage	247.765.63	
	Equity		$502,234.37

SCHEDULE A

ACCOUNTING FOR TRUST #2

SCHEDULE A-1

TRUST #2 U/W/O ANTON L. TRUNK

STATEMENT OF INCREASES ON SALES, LIQUIDATION OR DISTRIBUTION

N O N E

ACCOUNTING FOR TRUST #2

SCHEDULE A-2

TRUST #2 U/W/O ANTON L. TRUNK

STATEMENT OF ALL INCOME COLLECTED

	Rental Income Date	Item	Amount	
1	6/21/68	C. F. Noyes Company, Inc.	$1,682.34	
2	6/25/68	" "	901.10	
3	7/19/68	" "	3,926.94	
4	8/12/68	" "	1,444.01	
5	9/13/68	" "	1,219.75	
6	10/23/68	" "	295.25	
7	11/20/68	" "	1,354.45	
8	12/13/68	" "	1,154.21	
9	1/13/69	" "	1,313.16	
10	1/14/69	" "	2,050.00	
11	2/17/69	" "	992.69	
12	3/18/69	" "	677.31	
13	4/ 2/69	" "	219.01	
14	4/14/69	" "	916.71	
15	5/15/69	" "	868.73	
16	6/13/69	" "	5,446.90	
17	10/24/69	" "	2,237.40	
18	1/15/70	" "	2.127.60	
				$28,827.56

	Interest Income		Bond Int.		
19	8/ 8/69	F. N. C. B., Little Falls,N.Y.	"	"	$2,014.17
20	8/ 8/69	F. N. C. B., Little Falls,N.Y.	"	"	3,366.34
21	11/11/69	N.Y.S. Housing Finance Agency	"	"	2,000.00
22	12/ 4/69	Prince George County	"	"	2,687.60
23	12/15/69	San Francisco Barts (Maryland)	"	"	4,000.00
24	1/ 2/70	City of Albuquerque (New Mexico)	"	"	2,700.00
25	1/ 2/70	Maricopa County (Arizona)	"	"	3,825.00
26	5/ 1/70	N.Y.S. Housing Finance Agency	"	"	2,000.00
27	6/ 1/70	Prince George County (Maryland)	"	"	2,687.40
28	6/15/70	San Francisco Barts	"	"	3,000.00
29	7/ 2/70	Maricopa County (Arizona)	"	"	2,550.00
30	7/ 2/70	City of Albuquerque (New Mexico)	"	"	2,700.00
31	11/ 2/70	N.Y.S. Housing Finance Agency	"	"	2,000.00

ACCOUNTING FOR TRUST #2

32	12/ 2/70	Prince George County (Maryland)	"	"	2,687.60
33	12/15/70	San Francisco Barts	"	"	3,000.00
34	1/ 4/71	Maricopa County (Arizona)	"	"	2,550.00
35	1/ 4/71	City of Albuquerque(New Mexico)	"	"	2,700.00
36	5/ 2/71	N.Y.S. Housing Finance Agency	"	"	2,000.00
37	6/ 1/71	Prince George County (Maryland)	"	"	2,687.40
38	6/16/71	San Francisco Barts	"	"	3,000.00
39	7/ 1/71	Maricopa County (Arizona)	"	"	2,550.00
40	7/ 1/71	City of Albuquerque (New Mexico)	"	"	2,700.00
41	11/ 3/71	N.Y.S. Housing Finance Agency	"	"	2,000.00
42	12/13/71	Treasurer-U.S. - Interest on Tax Refund			2,067.25
43	1/ 4/72	Prince George County (Maryland)	Bond	Int.	2,687.60
44	1/ 4/72	San Francisco Barts	"	"	3,000.00
45	1/ 4/72	Maricopa County (Arizona)	"	"	2,550.00
46	1/ 4/72	City of Albuquerque (New Mexico)	"	"	2,700.00
47	1/13/72	San Francisco Barts	"	"	5,911.67
48	1/13/72	Maricopa County (Arizona)	"	"	5,240.00
49	5/ 1/72	N.Y.S. Housing Finance Agency	"	"	2,000.00
50	6/ 1/72	Prince George County (Maryland)	"	"	2,687.40
51	7/ 3/72	City of Albuquerque (New Mexico)	"	"	2,700.00

SCHEDULE A-2
(1)

ACCOUNTING FOR TRUST #2

SCHEDULE A-2

TRUST #2 U/W/O [illegible] L. TRUNK

STATEMENT OF ALL INCOME COLLECTED

	Interest Income Date		Bond Int.	Amount	
52	11/ 2/72	N.Y.S. Housing Finance Agency	" "	$ 2,000.00	
53	12/ 1/72	Prince George County (Maryland)	" "	2,687.60	
54	1/ 2/73	City of Albuquerque (New Mexico)	" "	2,700.00	
55	3/28/73	Emigrant Savings Bank-Savings Bank	Int.	474.78	
56	4/30/73	Seamens Bank for Savings-	" " "	689.39	
57	4/30/73	Broadway Savings Bank	" " "	678.45	
58	4/30/73	Drydock Savings Bank	" " "	310.85	
					$102,490.50
	Other Income				
59	12/ 9/68	Real Estate Tax Refund by New York City for the Years 1963/64 and 1967/68		$ 8,427.28	
60	12/31/71	Federal Income Tax Refund - Year Ended 4/30/70		20,998.00	
61	4/ 7/72	N.Y.S. Income Tax Refund - Year Ended 4/30/70		5,735.35	
					35,160.63
					$166,478.69

SCHEDULE A-2
(2)

ACCOUNTING FOR TRUST #2

SCHEDULE B

TRUST #2 U/W/O ANTON L. TRUNK

STATEMENT OF DECREASES DUE TO SALES,
LIQUIDATION, COLLECTION, DISTRIBUTION OR UNCOLLECTIBILITY

		Inventory Value	Amount Realized	Decrease
SALES AND REDEMPTION				
5/20/69	Sold Property at 72-78 Nassau Street, New York, N. Y.	$502,234.37	$502,234.37	None

SCHEDULE B

ACCOUNTING FOR TRUST #2

SCHEDULE C

TRUST #2 U/W/O [illegible] L. TRUNK

STATEMENT OF ADMINISTRATIVE EXPENSES
CHARGEABLE TO PRINCIPAL

1	8/23/71	First National City Bank	Interest on Loan	$ 505.56
2	9/24/71	First National City Bank	Interest on Loan	1,205.55
3	10/22/71	First National City Bank	Interest on Loan	1,166.67
4	11/21/71	First National City Bank	Interest on Loan	1,142.37
5	12/22/71	First National City Bank	Interest on Loan	1,057.65
6	1/14/72	First National City Bank	Interest on Loan	758.33
				$5,836.13

SCHEDULE C

ACCOUNTING FOR TRUST #2

SCHEDULE C-1

TRUST #2 U/W/O ANTON L. TRUNK

STATEMENT OF UNPAID ADMINISTRATIVE EXPENSES

NONE

SCHEDULE C-1

ACCOUNTING FOR TRUST #2

SCHEDULE C-2

TRUST #2 U/W/O ALVIN L. TRUNK

STATEMENT OF ADMINISTRATION EXPENSES CHARGEABLE TO INCOME

	Date	Item	Amount
1	5/21/69	Cox, Treanor & Shaughnessy - Legal Fee	$ 16.00
2	5/21/69	N.Y.S. Dept. of Taxation & Finance - Lien Release	5.00
3	5/28/69	N.Y.S. Income Tax Bureau - N.Y.S. Income Tax - 4/30/69	691.00
4	5/28/69	Internal Revenue Service - Federal Income Tax - 4/30/69	3,753.00
5	8/ 6/69	Kamerman & Kamerman - Auditing Fee	290.00
6	8/ 6/69	First National City Bank - Bond Interest	5,366.94
7	8/ 8/69	First National City Bank - Bond Interest	135.00
8	8/ 8/69	First National City Bank - Bond Interest	1,042.57
9	8/11/69	First National City Bank - Safe Deposit Box	24.38
10	8/12/69	Estate A.L.Trunk - Federal Estate Tax - Apportioned Share	35,230.64
11	8/12/69	Estate of A.L.Trunk - N. Y. S. Estate Tax - Apportioned Share	4,000.00
12	8/12/69	Estate of A.L.Trunk - Additional Federal Est.Tax	2,015.57
13	4/22/70	Cox, Treanor & Shaughnessy - Legal Fee	451.00
14	4/23/70	McGrath, Doyle & Phair - Auditing Fee	350.00
15	8/ 3/70	First National City Bank - Safe Deposit Box	24.38
16	8/11/70	Internal Revenue Service - Federal Income Tax - 4/30/70	23,956.00
17	8/11/70	N.Y.S. Income Tax Bureau - N.Y.S. Income Tax - 4/30/70	6,826.00
18	10/30/70	Kamerman & Kamerman - Auditing Fee	679.00
19	4/12/71	Cox, Treanor & Shaughnessy - Legal Fee	450.00
20	8/ 4/71	First National City Bank - Safe Deposit Box	26.75
21	8/10/71	N.Y.S. Income Tax Bureau - N.Y.S. Income Tax - 4/30/71	1,333.00

ACCOUNTING FOR TRUST #2

22	8/10/71	Estate of A.L.Trunk - Federal Estate Tax Apportioned Share	
23	8/10/71	Estate of A.L.Trunk - N.Y.S. Estate Tax - Apportioned Share	11,060.06
24	8/10/71	Estate of A.L.Trunk - Federal Interest on Apportioned Share	2,097.99
25	8/10/71	Estate of A.L.Trunk - N.Y.S. Interest on Apportioned Share	1,327.19
26	4/ 7/72	Cox, Treanor & Shaughnessy - Legal Fee	251.76
27	7/27/72	Cox, Treanor & Shaughnessy - Legal Fee	450.00
28	8/ 1/72	First National City Bank - Safe Deposit Box	750.00
29	8/ 2/72	N.Y.S. Income Tax Bureau - N.Y.S. Income Tax - 4/30/72	26.75
			1.267.00
			$103.896.98

SCHEDULE C-2

ACCOUNTING FOR TRUST #2

SCHEDULE D

TRUST #2 U/W/O MILTON L. TRUNK

STATEMENT OF DISTRIBUTION OF PRINCIPAL

			Date of Payment	Amount
1	Clara Poey Trunk 720 Milton Road, Rye, New York 10580	Wife	8/9/71	$200,000.00

SCHEDULE D

Ex. 7

ACCOUNTING FOR TRUST #2

SCHEDULE D-1

TRUST #2 U/A/D ANTON L. TRUNK

STATEMENT OF DISTRIBUTION OF INCOME

1	4/16/70	Clara Poey Trunk	$ 4,000.00
2	2/15/72	Clara Poey Trunk	2,000.00
3	3/26/73	Clara Poey Trunk	10,000.00
			$16,000.00

SCHEDULE D-1

BEST COPY AVAILABLE

ACCOUNTING FOR TRUST #2

SCHEDULE E

TRUST #2 U/W/O ANION L. TRUNK

STATEMENT OF NEW INVESTMENTS,
EXCHANGES AND STOCK DISTRIBUTIONS

		Date of Acquisition	Cost
1.	County Commissioners for Prince George County (Maryland) $100,000 Bond - 5.375%, Due 7/1/85	6/13/69	$100,799.00
2	New York State Housing Finance Agency 1961, Series A $100,000 Bond, 4.00%, Due 11/1/89 (Callable)	5/23/69	79,116.00
3	City of Albuquerque, New Mexico, General Obligation, Storm Sewer, $100,000. Bonds, 5.40%, Due 7/1/83	7/14/69	100.486.00
			$280.401.00

SCHEDULE E

BEST COPY AVAILABLE

Ex. 7

ACCOUNTING FOR TRUST #2

SCHEDULE E

TRUST #2 U/W/O ANTON L. TRUMP

STATEMENT OF PRINCIPAL ON HAND

1	County Commissioners for Prince George County, Maryland, $100,000 Bond, 5.375%, Due 7/1/85	$100,799.00	
2	New York State Housing Finance Agency, 1961, Series A, $100,000. Bond, 4.00%, Due 11/1/89 (Callable)	79,116.00	
3	City of Albuquerque, New Mexico, General Obligation, Storm Sewer, $100,000. Bonds, 5.40%, Due 7/1/83	100,486.00	
			$280,401.00
4.	Cash in Savings Account		15.997.24
			$296,398.24

SCHEDULE F

ACCOUNTING FOR TRUST #2

SCHEDULE F-1

TRUST #2 U/W/O ALVIN L. TRUNK

STATEMENT OF INCOME ON HAND

1.	4/30/73	Balance in First National City Bank - Checking Account	$ 5,900.26
2	4/30/73	Balance in Savings Bank Account	40,681.45
			$46,581.71

SCHEDULE F-1

ACCOUNTING FOR TRUST #2

SCHEDULE G

TRUST #2 U/W/O ANTON L. TRUNK

STATEMENT OF INTERESTED PARTIES

1	Clara Poey Trunk 720 Milton Road Rye, New York 10580	Income Beneficiary - Quarter annually payment of Net Income
2	Lilian P. Girvin Albee Court Larchmont, N. Y. 10538	Contingent Income Beneficiary of One-Half of Net Income
3	Barbara G. Mahoney Albee Court Larchmont, N. Y. 10538	Contingent Income Beneficiary of One-Half of Net Income
4	Presbyterian Home for Aged Women in the City of New York, 49 East 73rd Street New York, N. Y.	Remainderman

SCHEDULE G

ACCOUNTING FOR TRUST #2

SCHEDULE H

TRUST #2 U/W/O ANTON L. TRUNK

COMPUTATION OF COMMISSIONS

NONE

SCHEDULE H

ACCOUNTING FOR TRUST #2

SCHEDULE I

TRUST #2 U/W/O ANTON L. TRUNK

STATEMENT OF OTHER PERTINENT FACTS
AND OF CASH RECONCILIATION

First National City Bank

1: Cash Reconciliation - 4/30/73

Balance, per Books - 4/30/72	$57,694.23	
Deposits - 5/1/72 to 4/30/73	35.249.78	
	$92,944.01	
Disbursements - 5/1/72 to 4/30/73	87.043.75	
Balance, Per Books and Bank, 4/30/73		$5.900.26

Federal and New York State Estate Taxes have been charged to income pursuant to the Provisions of Paragraph Seventh(a)

SCHEDULE I

SETTLEMENT AGREEMENT REGARDING

ACCOUNTING OF TREANOR FOR TRUST NO. TWO

SURROGATE'S COURT
COUNTY OF WESTCHESTER

ACCOUNTING OF

HAROLD J. TREANOR

as Trustee of Trust Number Two under the Will of

ANTON L. TRUNK

Deceased.

1968 1741

AGREEMENT TO SETTLE INTERMEDIATE ACCOUNT OF TRUSTEE

File No. 1741 1968

SURROGATE'S COURT
WESTCHESTER CO.

OCT 17 1974

100.00 Pmt

Paid $

Release and discharge of HAROLD J. TREANOR, Testamentary Trustee of Trust Number Two under the Last Will and Testament of Anton L. Trunk, deceased.

WHEREAS, Anton L. Trunk, late of 11 Dogwood Lane, Pryor Manor, in the City of New Rochelle, County of Westchester and State of New York, died on the 14th day of May, 1968, leaving a Last Will and Testament in which he appointed HAROLD J. TREANOR of 316 Corlies Avenue, Town of Pelham, County of Westchester, State of New York, testamentary trustee of Trust Number Two thereunder; and

SETTLEMENT AGREEMENT REGARDING

ACCOUNTING OF TREANOR FOR TRUST NO. TWO

WHEREAS, the said Last Will and Testament of the deceased was thereafter duly admitted to probate on the 11th day of June, 1968 by the Surrogate's Court of Westchester County, and letters of trusteeship were duly issued to said HAROLD J. TREANOR on the 11th day of June, 1968.

And it appearing that a one-half undivided interest in the land and office building at the northeast corner of John and Nassau Streets, Borough of Manhattan, City of New York, known as 33-39 John Street and 76-78 Nassau Street, was left in trust to pay the net income thereof after the discharge of expenses including estate taxes to Clara Poey Trunk during her life, and upon her death to Lilias P. Girvin and Barbara G. Mahoney in equal shares, and, upon the death of either of them, to the survivor for life, and upon the death of the survivor, to pay the then principal to the Presbyterian Home for Aged Women in the City of New York; and

WHEREAS, as appears in said accounting, said land and building were duly sold by HAROLD J. TREANOR as Trustee for $502,234.37, and

It also appearing by a provision of said Will that an elective marital bequest was conferred on said Clara Poey

SETTLEMENT AGREEMENT REGARDING

ACCOUNTING OF TREANOR FOR TRUST NO. TWO

Trunk whereunder the trustee was directed by the terms of said trust, upon the written request of said Clara Poey Trunk to turn over to Clara Poey Trunk up to, but not in excess of, $200,000.00 of principal, which sum was duly requested by Clara Poey Trunk and delivered to her from principal by the trustee;

And it also appearing that the said trustee has paid certain sums out of income representing the pro-rata portion of the estate tax liability of the trust and is accruing further sums on account of contingent additional estate tax liability, and that upon the final determination and payment of the estate tax liabilities, chargeable to income, the net sums so accrued and remaining on hand and income thereafter earned less other charges properly made to income, will be paid to the income beneficiaries; and

WHEREAS, the said Trustee has prepared and made his account of all acts from the beginning of the Trust until April 30, 1973 and exhibited the same to the undersigned, wherein the summary of said account is as follows as of the 30th day of April, 1973:

SETTLEMENT AGREEMENT REGARDING

ACCOUNTING OF TREANOR FOR TRUST NO. TWO

PRINCIPAL ACCOUNT

CHARGES:

Amount shown by Schedule "A"
(Principal received).....$502,234.37

Amount shown by Schedule "A-1"
(Realized increases on
principal).....$ None

Total principal charges.....$502,234.37

CREDITS

Amount shown by Schedule "B"
(Realized decreases on
principal).....$ None

Amount shown by Schedule "C"
(Administration expenses
chargeable to principal).....$ 5,836.13

Amount shown by Schedule "D"
(Distributions of principal).....$200,000.00

Total principal credits.....$205,836.13

Principal balance on hand shown by Schedule "F".....$296,398.24

INCOME ACCOUNT

CHARGES:

Amount shown by Schedule "A-2"
(Income collected).....$166,478.69

Total income charges.....$166,478.69

Ex. 8

SETTLEMENT AGREEMENT REGARDING

ACCOUNTING OF TREANOR FOR TRUST NO. TWO

CREDITS:

Amount shown by Schedule "C-2"
(Administration expenses
chargeable to income.....$103,896.98

Amount shown by Schedule "D-1"
(Distributions of income.....$ 16,000.00

Total income credits.....$119,896.98

Balance of undistributed income
remaining on hand as shown in
Schedule F-1.....$ 46,581.71

COMBINED ACCOUNTS

Principal remaining on hand.....$296,398.24

Income remaining on hand.....$ 46,581.71

Total on hand.....$342,979.95

The foregoing principal balance of $296,398.24 consists of $15,997.24 in cash and $280,401.00 in other property on hand as of the 30th day of April, 1973. It is subject to deduction of estimated principal commissions amounting to $ -0- shown in Schedule H, and to the proper charge to principal of expenses of this accounting.

The foregoing income balance of $46,581.71 consists of $46,581.71 in cash and $ -0- in other property on hand as of the 30th day of April, 1973. It is subject to deductions of estimated income commissions amounting to $ -0- shown in Schedule H, and to the proper charge to income of expenses of this accounting.

Ex. 8

SETTLEMENT AGREEMENT REGARDING
ACCOUNTING OF TREANOR FOR TRUST NO. TWO

AND WHEREAS, the said Trustee confirms that he, by separate instrument waived the right to collect trustee's commissions during the life of Clara Poey Trunk.

NOW THEREFORE, in consideration of the foregoing and of the sum of One Dollar, I, HAROLD J. TREANOR, as trustee as aforesaid, do hereby acknowledge the receipt of all claims for fees and expenses now due as Trustee under the aforesaid Will up to April 30, 1973, and, the undersigned life income beneficiaries and remainderman, in consideration of the sum of One Dollar and other good and valuable consideration, the receipt of which is hereby severally acknowledged, do hereby approve of the account of said HAROLD J. TREANOR as trustee; and do hereby consent to the claims and interests therein; acknowledge receipt of the amounts as far as set forth in said accounting as having been received and, in further consideration of a mutual agreement among trustee and those entitled to interests in the trust to waive a judicial intermediate accounting, the undersigned life income beneficiaries and remainderman do, and each of us acting individually and without regard to the execution of these presents by the others does,release and forever discharge the said HAROLD J. TREANOR, individually and as trustee of Trust Number Two under the Will of Anton L.

SETTLEMENT AGREEMENT REGARDING

ACCOUNTING OF TREANOR FOR TRUST NO. TWO

Trunk, deceased, his successors and legal representatives, of and from every claim, demand, action, and cause of action, account, reckoning and liability of every name and nature, for and on account of every matter or thing arising from or in any manner relating to the execution of the said trust and from any further liability to the persons interested in the said trust except as herein and in said accounting set forth, up to April 30, 1973;

AND, we request that this be recorded in the Surrogate's Court, Westchester County, as evidence thereof;

IN WITNESS WHEREOF, we have hereonto set our hands and seals on the respective dates set forth below.

Dated: 6-20-74

Harold J. Treanor
HAROLD J. TREANOR
as Trustee of Trust No. Two under the Will of Anto L. Trunk, deceased.

Dated: _____

_____
CLARA POEY TRUNK

Dated: _____

_____
LILIAS P. GIRVIN

Dated: June 24, 1974

Barbara G Mahoney
BARBARA G. MAHONEY

Dated: _____

PRESBYTERIAN HOME FOR AGED WOMEN IN THE CITY OF NEW YORK

By: _____

(ATTEST) _____

SETTLEMENT AGREEMENT REGARDING

ACCOUNTING OF TREANOR FOR TRUST NO. TWO

STATE OF NEW YORK)
) SS.:
COUNTY OF NEW YORK)

On this 20th day of June, 1974, before me personally came HAROLD J. TREANOR, as Trustee of Trust Number Two under the Will of Anton L. Trunk, deceased, to me known and known to me to be the individual described in and who, executed the foregoing instrument and acknowledged to me that he executed the same.

Claire S. Towers

CLAIRE S. TOWERS
NOTARY PUBLIC, State of New York
No. 41-4005365
Qualified in Queens County
Commission Expires March 30, 1975

STATE OF NEW YORK)
) SS.:
COUNTY OF NEW YORK)

On this day of , 1974, before me personally came CLARA POEY TRUNK, to me known and known to me to be the individual described in and who executed the foregoing instrument and acknowledged to me that she executed the same.

STATE OF NEW YORK)
) SS.:
COUNTY OF NEW YORK)

On this day of , 1974, before me personally came LILIAS P. GIRVIN, to me known and known to me to be the individual described in and who executed the foregoing instrument and acknowledged to me that she executed the same.

BEST COPY AVAILABLE

SETTLEMENT AGREEMENT REGARDING

ACCOUNTING OF TREANOR FOR TRUST NO. TWO

STATE OF NEW YORK)
) SS.:
COUNTY OF NEW YORK)

On this 24th day of June, 1974, before me personally came BARBARA G. MAHONEY, to me known and known to me to be the individual described in and who executed the foregoing instrument and acknowledged to me that she executed the same.

Claire S. Towers

CLAIRE S. TOWERS
NOTARY PUBLIC, State of New York
No. 41-4005365
Qualified in Queens County
Commission Expires March 30, 1975

STATE OF NEW YORK)
) SS.:
COUNTY OF NEW YORK)

On this day of , 1974, before me personally came to me known, who being by me duly sworn, did depose and say that he resides in ; that he is the of PRESBYTERIAN HOME FOR AGED WOMEN IN THE CITY OF NEW YORK, the corporation described in and which executed the foregoing instrument, that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; and it was so affixed by order of the Board of Directors of said corporation, and that he signed h__ name thereto by like order.

_____

FINDINGS OF FACT AND OPINION

65 T. C. No. 20

UNITED STATES TAX COURT

ESTATE OF ANTON L. TRUNK, Deceased, CLARA P. TRUNK, Executrix, Petitioner v. COMMISSIONER OF INTERNAL REVENUE, Respondent

Docket No. 7259-72. Filed November 3, 1975.

1. Provision under will of decedent for payment of $200,000 to his surviving spouse under certain conditions did not give rise to a bequest for which a deduction was allowable under section 2056.

2. Decedent's will did not clearly direct that the federal estate tax be chargeable solely to the interests of the life beneficiaries. The rule of apportionment prescribed by New York law must be applied.

Jerome Kamerman, for the petitioner.

E. Noel Harwerth, for the respondent.

FINDINGS OF FACT AND OPINION

QUEALY, Judge: The respondent determined a deficiency in the Federal estate tax of the Estate of Anton L. Trunk, deceased, in the amount of $124,708.91.

Certain adjustments to the taxable estate having been conceded by the petitioner, the issues remaining for decision are:

1. Whether an amount paid to the wife of the decedent, pursuant to her request, may be claimed by his estate as a marital deduction under section 2056[1], or whether such amount constitutes either a contingent bequest or non-deductible terminable interest under section 2056(b)(1).

2. Whether a portion of Federal estate and state inheritance taxes attributable to life estates preceding charitable remainders should be charged against the corpus of the residuary trusts, thereby reducing the charitable deduction claimed by the estate of the decedent under section 2055.

FINDINGS OF FACT

Some of the facts have been stipulated. The stipulation of facts and the exhibits attached thereto are incorporated herein by this reference.

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1 All statutory references are to the Internal Revenue Code of 1954, as amended, unless otherwise indicated.

FINDINGS OF FACT AND OPINION

Anton L. Trunk (hereinafter "decedent"), deceased, was a resident of New Rochelle, New York, at the time of his death on May 14, 1968. Clara P. Trunk (hereinafter "petitioner"), his widow, is the executrix of his estate. At the time the petition in this case was filed, she was a legal resident of Rye, New York. The Federal estate tax return was filed with the District Director of Internal Revenue, Manhattan District, New York.

Decedent died on May 14, 1968, leaving a gross estate valued at $1,879,004.96. His last will and testament named petitioner as residuary legatee after payment of certain bequests provided in paragraph SIXTH and SEVENTH, thereunder. Decedent's adjusted gross estate amounted to $1,242,381.45. Petitioner deducted the sum of $519,522.10 as a marital deduction under section 2056(a) and (c). Of that amount $200,000 is in dispute.

Paragraph SIXTH of the will of decedent named St. John's Episcopal Church of Larchmont, New York, as a beneficiary of the trust established thereunder. Pursuant to said paragraph, property having a gross value of $372,000 was transferred to the trust subject to mortgages in the amount of $135,000 leaving a net value of the property in the trust

in the amount of $237,000. The interest bequeathed to the St. John's Episcopal Church was a remainder interest having a net value of .3489 of the whole trust. Said paragraph SIXTH reads, in part, as follows:

> SIXTH: Notwithstanding the provisions of Paragraph THIRD hereof, I give, devise and bequeath to CHEMICAL BANK NEW YORK TRUST COMPANY of 277 Park Avenue, New York, New York, and to HAROLD J. TREANOR of 12 East 41st Street, New York, New York, AS TRUSTEES AND IN TRUST NEVERTHELESS, all of my property on the west side of 164th Street, Jamaica, Long Island, New York, now under lease to FIRST NATIONAL CITY BANK (formerly THE NATIONAL CITY BANK OF NEW YORK) upon part of which said Bank has erected a building, together with the lease to said Bank dated the 16th day of November, 1948, amended by agreement dated the 23rd day of October, 1953, and amended and consolidated by agreement dated the 24th day of September, 1956, and as may hereafter be amended, and I direct my said TRUSTEES to collect the entire income therefrom and apply and pay over said income as follows:
>
> (a) To the payment and discharge of any and all liabilities and obligations arising out of or connected with the operation and maintenance of the trust property including, but not limited to, the payment of interest and amortization of mortgages, the discharge and satisfaction of mortgages, the payment of taxes and water charges, if any, as well as the payment of administration, legal expenses and Federal and State Estate Taxes and Income Taxes.
>
> (b) To the payment out of the remaining net income of the following amounts to the following named persons:

(1) To my wife, CLARA POEY TRUNK, during her life, the sum of TEN THOUSAND DOLLARS, annually, plus all of the annual rent income remaining after the payments required by subdivisions (2), (3), (4), and (5) hereof;

(2) To HELEN L. KENT, during her life, the sum of THREE THOUSAND DOLLARS, annually;

(3) To FRANK P. POEY, during his life, the sum of THREE THOUSAND DOLLARS, annually;

(4) To ANN K. MACKENZIE, during her life, (except as hereinafter provided in subdivision (c) hereof) the sum of ONE THOUSAND TWO HUNDRED DOLLARS, annually; and

(5) To LULU HAMMOND, during her life, the sum of ONE THOUSAND TWO HUNDRED DOLLARS, annually.

If any of the persons above named in this Paragraph SIXTH shall die prior to the termination of this trust leaving my wife, CLARA POEY TRUNK, surviving, I order and direct my TRUSTEES thereafter to pay over the income which such deceased person would have been entitled to receive, if living, to my said wife, CLARA POEY TRUNK, during her life and upon her death, such income payments, including those to which my wife, CLARA POEY TRUNK, would have been entitled to receive, if living, shall be paid to HELEN L. KENT, during her life. Upon the death of HELEN L. KENT, if she shall survive my wife, CLARA POEY TRUNK, or upon the death of my wife, CLARA POEY TRUNK, if she shall survive HELEN L. KENT, I order and direct my TRUSTEES to pay over the income to which the survivor of either CLARA POEY TRUNK or HELEN L. KENT would have been entitled to receive, as aforesaid, to CLARA M. GIRVIN; and upon the death of CLARA M. GIRVIN or if she shall not survive my wife, CLARA POEY TRUNK, and HELEN L. KENT, I order and

direct my TRUSTEES to pay over the net income of this trust to LILIAS P. GIRVIN and BARBARA G. MAHONEY, in equal shares, and, upon the death of either of them, to the survivor of them.

* * *

(d) I direct that said TRUSTEES are not to mortgage said property constituting the trust for more than the amount of any mortgage indebtedness on said property at the time of my decease except that if, in the exercise of sound judgment, said TRUSTEES determine that there is need for increased mortgage indebtedness, and my said TRUSTEES shall so certify in writing, then and in that event, said TRUSTEES have the right to mortgage said property in an amount exceeding the amount of the mortgage indebtedness existing at the time of my decease, provided that the proceeds from any such increased or additional mortgage indebtedness be applied to and used solely and directly for the maintenance, benefit or improvement of said property.

Anything hereinabove to the contrary notwithstanding, in the event FIRST NATIONAL CITY BANK (formerly THE NATIONAL CITY BANK OF NEW YORK) or any institution as successor thereof is no longer the lessee or tenant, the TRUSTEE may, in the exercise of sound discretion, mortgage the property constituting the trust for an amount in excess of that in existence at the time of my decease, provided the proceeds from such increased or additional mortgage are used to improve the property constituting the trust by the erection of a new building or buildings and/or enlargement of any existing building and/or its repair, alteration or modernization.

No obligation under the foregoing provisions shall be imposed upon any mortgagee to inquire or determine if the proceeds of any such mortgage loan are used and applied as above permitted; nor shall

the violation of the aforesaid direction by my TRUSTEES in the use and application of the proceeds of such mortgage loan in any wise affect or impair the validity of any mortgage affecting the real property or the leases made in connection therewith, constituting the corpus of this trust.

(e) I expressly direct that my TRUSTEES shall not sell, exchange, or deed out any of the real property being part of this trust as long as FIRST NATIONAL CITY BANK (formerly THE NATIONAL CITY BANK OF NEW YORK) or any institution as successor thereof or of approximately similar repute is the lessee or tenant of the property constituting this trust.

Paragraph SEVENTH of the will of decedent named the Presbyterian Home for Aged Women in the City of New York as a beneficiary in a trust established under that paragraph of the Will. Pursuant to the said paragraph, property having a gross value of $750,000, subject to a mortgage in the amount of $247,765.63, was transferred to the trust leaving a net value of the property in the trust in the amount of $502,234.37. The interest bequeathed to the Presbyterian Home for Aged Women in the City of New York was a remainder interest having a net value of .3525 of the whole trust. Said paragraph SEVENTH reads, in part, as follows:

SEVENTH: Notwithstanding the provisions of Paragraph THIRD hereof, I give, devise and bequeath to CHEMICAL BANK NEW YORK TRUST COMPANY of 277 Park Avenue, New York, New York, and to HAROLD J. TREANOR

of 12 East 41st Street, New York, New York, AS TRUSTEES AND IN TRUST NEVERTHELESS, all my right, title and interest in and to certain premises at the northeast corner of John and Nassau Streets, Borough of Manhattan, City of New York, known as 33-35-37-39 John Street and 76-78 Nassau Street, and I direct my said TRUSTEES to collect my share of the income therefrom and apply and pay over the said income as follows:

(a) To the payment and discharge of any and all liabilities and obligations arising out of or connected with the operation and maintenance of the trust property including, but not limited to, the payment of interest and amortization of mortgages, the discharge and satisfaction of mortgages, the payment of taxes and water charges, if any, as well as the payment of administration, legal expenses and Federal and State Estate Taxes and Income Taxes.

(b) To the payment quarter-annually to my wife, CLARA POEY TRUNK, of all of my share of net income from the aforesaid property during her life, and, upon her death, all of my share of net income from the aforesaid property to LILIAS P. GIRVIN and BARBARA G. MAHONEY, in equal shares, and, upon the death of either of them, to the survivor of them.

(c) Upon the death of the survivor of the beneficiaries mentioned in subdivision (b) hereof, this trust shall cease and terminate and thereupon I direct my TRUSTEES to transfer, deliver and convey the property constituting the principal of this trust to the PRESBYTERIAN HOME FOR AGED WOMEN IN THE CITY OF NEW YORK, presently located at 49 East 73rd Street, New York, New York, to be its property, absolutely and forever, but subject nevertheless, to existing mortgages, leases, encumbrances, taxes, and liens, if any. As this bequest is to commemorate my wife's memory and to give recognition to her charitable labors, I direct that this gift be known as, and referred to as, THE CLARA POEY TRUNK FUND.

In the event my TRUSTEES shall certify in writing that it is requisite, necessary or desirable to borrow a sum of money, my said TRUSTEES are hereby authorized and empowered to do so up to, but not in excess of, the sum of $200,000.00 and, for such purpose, to mortgage my aforesaid interest in the property constituting the corpus of this trust, and to make, issue and deliver such bond or note and mortgage and any other instruments as may be proper and necessary. Said sum so borrowed shall be turned over, in whole or in part, to my wife, CLARA POEY TRUNK, if so requested by her in writing and/or used, in whole or in part, to pay and discharge any Federal of [sic] New York State Estate or Inheritance Taxes, under any of the provisions of this, my Will.

I hereby authorize and empower my TRUSTEES to sell the property constituting the principal of this Trust when and if in their sound judgment it is expedient, desirable and advantageous to do so and they shall so certify in writing and I request my TRUSTEES, if they shall decide to sell the trust property, advise the co-owners of the property of their decision.

I direct that, in the event of any sale of my share of said premises, the net proceeds derived therefrom (including any mortgage or mortgages) shall constitute the principal of the trust created under this Paragraph SEVENTH and I direct that my said TRUSTEES invest the proceeds (other than the mortgage or mortgages) in accordance with the provisions of Paragraph TENTH (A) hereof with a view to deriving from such investment (including income from the aforesaid mortgage or mortgages) an income for the trust as nearly equal as possible to that theretofore being derived from my share of the premises immediately prior to such sale and pay over the net income thereof in accordance with the provisions of this Paragraph SEVENTH.

I also authorize my TRUSTEES to renew, extend, replace, increase, modify, consolidate or satisfy any mortgage or mortgages on the premises constituting the corpus of this trust for the purpose of, but not limited to, altering or repairing the existing building on the premises above described or erecting a new building in its place and stead.

I further authorize my TRUSTEES to make, execute and deliver any lease or leases and any renewals, replacements, extensions, modifications or cancellations thereof which affect or pertain to the premises constituting the corpus of this trust including but not limited to, the modification, change or cancellation of any agreement in existence at the time of my decease if in their judgment it is advisable to do so.

Paragraph EIGHTH of the will of decedent named St. John's Episcopal Church of Larchmont, New York, as a beneficiary of the trust established thereunder. Pursuant to said paragraph, property having a gross value of $140,633.94 was transferred to the trust. Said paragraph EIGHTH reads, in part, as follows:

EIGHTH: Notwithstanding the provisions of Paragraph THIRD hereof, I give, devise and bequeath to EDMUND F. WAGNER of 37 Vernon Road, Scarsdale, New York, and to CHEMICAL BANK NEW YORK TRUST COMPANY of 277 Park Avenue, New York, New York, AS TRUSTEES AND IN TRUST NEVERTHELESS, all my right, title and interest in and to a certain Agreement dated the 12th day of April, 1960 (between HALAT REALTY CORPORATION, INC., of 11 East 44th Street, New York, New York, LIFE EXTENSION INSTITUTE, INC. of 11 East 44th Street, New York, New York, and ANTON L. TRUNK, the Testator herein) including, but

not limited to, the stock referred to therein and all payments of principal due and to become due under and pursuant to the terms, provisions and conditions of the aforesaid Agreement and I direct my said TRUSTEES to collect all such principal and apply and pay over the same to ST. JOHN'S EPISCOPAL CHURCH OF LARCHMONT, NEW YORK, except as hereinafter provided in subdivisions (a), (b) and (c) hereof:

(a) To the payment and discharge of any and all liabilities and obligations arising out of or connected with the operation and maintenance of the trust including, but not limited to, Federal and State Estate Taxes and Income Taxes, if any.

(b) To the payment to my wife, CLARA POEY TRUNK, during her life, of the annual net instalments of principal as they accrue and, upon her death:

* * *

While the said Agreement dated the 12th day of April, 1960 remains in effect, my share of the corporate TRUSTEE's commissions, as fixed by said Agreement, shall be a charge upon and paid out of the principal of the trust. The corporate TRUSTEE's commissions shall be paid before any disbursements of principal herein provided.

By letter dated July 23, 1971, addressed to Harold J. Treanor, Esq., as trustee, Clara Poey Trunk, decedent's spouse, requested that the trustee "turn over and deliver to me the sum of $200,000 as my elective bequest as provided in Paragraph Seventh of Tony's last will and testament." The letter further stated:

FINDINGS OF FACT AND OPINION

> As you know Tony always thought of me as the most important beneficiary of his estate and willed the residuary to me. Because of debts and administrative expenses, the amount remaining outright to me as residuary beneficiary was less than $365,000.00 out of an estate of $1,800,000.00. It was to provide against a contingency such as this that Tony gave me the election of requesting up to an additional amount of $200,000.00. Although I know it will result in less of a bequest to the Presbyterian Home for Aged Women in the City of New York, I know that it would be Tony's wish that I receive this amount in view of the small remainder of the residuary which passes to me.

In reply, by letter dated August 2, 1971, Harold J. Treanor, as trustee, acknowledged Mrs. Trunk's request, stating that in his judgment "it is most desirable that your request for your elective bequest in the amount of $200,000.00 should be met as Tony provided under Paragraph Seventh of the Will." Mr. Treanor advised Mrs. Trunk that he would proceed to raise the necessary funds.

By letter dated August 10, 1971, Harold J. Treanor, as trustee, delivered to Mrs. Trunk a check drawn on Trust Number 2 for the sum of $198,500. Said letter concluded:

> This amount represents an outright distribution to you (less legal expenses) of the elective bequest provided for in paragraph SEVENTH of Tony's Will. No part of this bequest is subject to estate tax since the entire bequest qualifies for the marital deduction from the taxable estate.

In order to raise the requested funds, it would have been necessary for the trustee to sell certain bonds purchased from the First National City Bank. In lieu thereof, the trustee temporarily borrowed sufficient funds from the bank to make the payment. The property held in trust pursuant to Paragraph SEVENTH of the will was subsequently sold for $500,000.

In an account filed by the Trustee with the Surrogate's Court, County of Westchester, for the period from June 11, 1968 to April 30, 1973, Harold J. Treanor, as trustee, reported on Schedule D a distribution of principal in the amount of $200,000 to Clara P. Trunk, wife of the decedent. Said accounting was duly agreed to and accepted by all of the beneficiaries, including the St. John's Episcopal Church of Larchmont, New York. In the estate tax return filed on behalf of the decedent's estate, the sum of $200,000.00 was included in the amount claimed as a marital deduction under section 2056(a) and (c).

In the estate tax return filed on behalf of the decedent's estate, a charitable deduction in the aggregate amount of $223,385.83 was claimed on account of the bequests to St. John's Episcopal Church of Larchmont pursuant to Paragraph SIXTH and Paragraph EIGHTH of the will and to the

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Presbyterian Home for Aged Women in the City of New York pursuant to Paragraph SEVENTH of the will. In determining the value of the charitable remainders, the petitioner did not charge the Federal estate taxes and state inheritance taxes attributable to the life estates preceding the charitable remainders against the corpus of the trusts providing for such charities.

In his notice of deficiency, the respondent has determined that the deduction on account of the charitable remainders referred to above should be reduced by the amount of said taxes allocable to the life estates preceding the charitable remainders as a charge against the corpus of the trust. The respondent thereby has increased the taxable estate in the amount of $22,379.31.

FINDINGS OF FACT AND OPINION

OPINION

Decedent died on May 14, 1968. In his last Will and Testament, the decedent made various specific bequests of properties comprising a portion of his estate to Chemical Bank New York Trust Co., and Harold J. Treanor, as trustees, to pay the income therefrom, after the deduction of certain expenses and charges to his wife during her life and to certain named individuals. Upon her death or upon the death of the survivor of them, the properties in question were bequeathed to St. John's Episcopal Church of Larchmont and the Presbyterian Home for Aged Women, respectively. Both bequests qualify as charitable deductions under section 2055.

In addition to the specific bequests made by the decedent in his will, by letter dated July 23, 1971, addressed to Harold J. Treanor, Esq., as trustee, Clara Poey Trunk requested payment of an additional sum of $200,000 as "my elective bequest as provided in Paragraph Seventh" of the will. The trustee duly complied with her request. In filing the Federal estate tax return, the petitioner, as executrix of the decedent's estate, included $200,000.00 received pursuant to that request in the residuary estate

of the decedent for purposes of computing the marital deduction under section 2056(a)[2].

Section 2056(a) provides that the marital deduction is computed by deducting from the value of the gross estate an amount equal to the value of any interest in property passing from a decedent to his surviving spouse, subject to the limitations in subsections (b), (c), and (d).

Respondent argues that section 2056(b)(4) provides that, in determining the value of any interest in property passing to the surviving spouse for which a deduction is allowed under subsection (a), any encumbrance or obligation to which such interest is subject is to be taken into account in the same manner as if the amount of a gift were being determined.

Thus, respondent's position is that the language of paragraph SEVENTH of decedent's will is clear. The decedent

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[2] SEC. 2056. BEQUESTS, ETC., TO SURVIVING SPOUSE.

(a) Allowance of Marital Deduction.--For purposes of the tax imposed by section 2001, the value of the taxable estate shall, except as limited by subsections (b), (c), and (d), be determined by deducting from the value of the gross estate an amount equal to the value of any interest in property which passes or has passed from the decedent to his surviving spouse, but only to the extent that such interest is included in determining the value of the gross estate.

directed that the trust property be mortgaged not for the purpose of delivering to petitioner an additional $200,000.00 bequest outright, but for the purpose of paying Federal estate and state inheritance taxes under any provision of his will. Respondent contends that the bequest is "contingent" in that the bequest could be appropriated to the payment of taxes.

In the alternative, respondent also contends that if in fact an interest in property passed to the surviving spouse, such interest fails to qualify for the marital deduction since it constitutes a terminable interest under section 2056(b)(1).

Under this approach respondent argues that petitioner possessed a restricted right to invade corpus which would terminate at her death, and the trust corpus, of which the interest in question was a part, would pass to a beneficiary other than petitioner or her estate.

Petitioner contends that the language contained in paragraph SEVENTH of decedent's will is unclear, and that parol evidence of the intent of the decedent should be admitted to aid construction thereof. On the basis of such evidence as was proffered by the petitioner, it is claimed

that an unencumbered "elective bequest" was intended rather than a contingent bequest, and that, in any event, the bequest was not a nondeductible terminable interest, but rather a discretionary power of appointment which qualifies for the marital deduction under section 2056(b)(5).

Both parties thus construe paragraph SEVENTH of the will as embodying an additional bequest of up to $200,000 to the wife of the decedent, albeit that the respondent argues that such bequest is conditional or terminable and does not qualify for the marital deduction.

In the opinion of the Court both parties may be in error in thus construing the language of paragraph SEVENTH of decedent's will. The Court is unable to find any intent on the part of the decedent to bequeath an additional $200,000 to his wife in paragraph SEVENTH of the will.

Our conclusion in this respect is predicated upon a comparison of paragraph SIXTH of the will and paragraph SEVENTH of the will. Both provided for the income of the respective trusts to be applied first to the payment of certain expenses "as well as the payment of administration, legal expenses, and Federal and State Estate Taxes and Income Taxes."

With respect to the property bequeathed in trust pursuant to Paragraph SIXTH of the will, however, the trustees could not sell, encumber, or otherwise dispose of the property except under specific conditions. In other words, Paragraph SIXTH of the will left the trustees little or no discretion to encumber or to invade the corpus of the trust for any purposes other than the maintenance and preservation of the trust property.

On the other hand, in Paragraph SEVENTH of the will the decedent gave the trustees discretion to borrow funds against the security of the trust property either to pay and discharge "any" federal or state inheritance taxes or to make distribution to the decedent's wife. The pertinent section of Paragraph SEVENTH reads, as follows:

> In the event my TRUSTEES shall certify in writing that it is requisite, necessary or desirable to borrow a sum of money, my said TRUSTEES are hereby authorized and empowered to do so up to, but not in excess of, the sum of $200,000. * * * Said sum so borrowed shall be turned over, in whole or in part, to my wife, CLARA POEY TRUNK, if so requested by her in writing and/or used, in whole or in part, to pay and discharge any Federal of [sic] New York State Estate or Inheritance Taxes under any provisions of this, my Will. * * *

Nothing additional was bequeathed by this language. Rather, the decedent was providing a source of funds to meet

the liability for inheritance taxes, or the bequests to his wife otherwise provided for in the will. See Estate of Amory Lawrence Haskell, 58 T.C. 197 (1972).[3]

Nevertheless, in view of the differing interpretations of that language by the respondent, the petitioner and the Court, we will assume for purposes of considering petitioner's proffer of proof that decedent's intent cannot be determined solely from a reading of the will. If the petitioner had proffered proof of circumstances which might serve to clarify the language in dispute, the Court would be prepared to admit such proof. Estate of Tilyou v. Commissioner, 470 F.2d 693 (2d Cir. 1972).

Petitioner proffered the testimony of Harold J. Treanor, decedent's attorney, who drafted the will. Mr. Treanor sought to testify with respect to conversations with

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[3] In the determination of the estate tax, the burden rests on this Court to interpret the will, irrespective of any proceedings in the state courts. Commissioner v. Estate of Bosch, 387 U.S. 456 (1967). While our interpretation of the will would seem to be in conflict with the consent of the Presbyterian Home for Aged Women to the accounting filed by the trustee showing the distribution of an additional $200,000 to Mrs. Trunk, this may prove nothing. Reading between the lines, Mrs. Trunk's letter requesting the payment of the $200,000 reminded the trustees and the other beneficiaries that her share of her husband's estate pursuant to the will was less than she would have been entitled to receive under New York law if she had renounced the will. N. Y. Estates, Powers and Trust Law, Sec. 5-1.1 (McKinney, Vol. 17B, 1967).

the decedent when they lunched together after the will had been executed. In substance, he would testify that the decedent told him it was his intention to give his wife $200,000 if she needed it. When the witness was asked why he did not suggest to the decedent that the will be so drawn, the witness replied that the deceased would not have accepted such advice.

This testimony did not concern facts and circumstances surrounding the execution of the will. According to such testimony, Paragraph SEVENTH was written in the exact language demanded by the decedent. Such testimony with respect to the declared intent of the decedent, as distinguished from circumstances evidencing such intent, is not admissible. Estate of Edward N. Opal, 54 T.C. 154, 160 (1970), aff'd. 450 F.2d 1085 (2d Cir. 1971), and cases cited therein. The petitioner was unable to establish on the basis of any admissible evidence, either received or proffered, that the decedent thereby intended to give Mrs. Trunk the unqualified right to demand and receive an additional $200,000 under the will.

Accordingly, it is the opinion of the Court that petitioner has failed to establish that the will of the

decedent provided for an unconditional bequest to her, as wife of the decedent, or an additional $200,000 which will qualify for the marital deduction. Petitioner's alternative contention, that decedent intended to confer an absolute power of appointment upon her, also must fail for lack of proof.

With respect to the second issue, respondent has charged a proportionate share of the federal estate and New York inheritance taxes to the corpus of each of the trusts provided for by paragraph SIXTH and paragraph SEVENTH of the will, thereby reducing the value of the charitable remainders.

Section 2055(a)(2) provides that the taxable estate should be determined by deducting from the value of the gross estate the amount of all bequests, legacies, devises, or transfers exclusively for religious, charitable, scientific, literary, or educational purposes. Pursuant to Section 2055(c) where the federal estate tax or any estate, succession, legacy, or inheritance tax is payable out of property transferred to the charity, the value of the charitable bequest must be reduced by the amount of such taxes in determining the amount deductible from the gross estate.[4]

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[4] The prescribed formula was sustained in Dulles v. Johnson, 273 F.2d 362 (2d Cir. 1959).

The apportionment of federal and state inheritance taxes is governed by state law. Riggs v. Del Drago, 317 U.S. 95 (1942). Section 2-1.8 of the New York law provides, in part, as follows:[5]

> (a) Whenever it appears in any appropriate action or proceeding that a fiduciary has paid or may be required to pay an estate or other death tax, under the law of this state or of any other jurisdiction, with respect to any property required to be included in the gross tax estate of a decedent under the provisions of any such law (hereinafter called "the tax"), the amount of the tax, except in a case where a testator otherwise directs in his will, and except where by any instrument other than a will (hereinafter called a "non-testamentary instrument") direction is given for apportionment within the fund of taxes assessed upon the specific fund dealt with in such non-testamentary instrument shall be equitably apportioned among the persons interested in the gross tax estate, whether residents or non-residents of this state to whom such property is disposed of or to whom any benefit therein accrues (hereinafter called "the persons benefited") in accordance with the rules of apportionment herein set forth, and the persons benefited shall contribute the amounts apportioned against them.
>
> (b) Unless otherwise provided, when a disposition is made by which any person is given an interest in income or an estate for years or for life or other temporary interest in any property or fund, the tax apportionable against such temporary interest and the remainder limited thereon is chargeable against and payable out of the principal of such property or fund without apportionment between such temporary interest

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[5] New York Estate, Powers and Trust Law, section 2-1.8 (McKinney, 1967).

and remainder. The provisions of this paragraph apply although the holder of the temporary interest has rights in the principal, but do not apply to a common law annuity.

(c) Unless otherwise provided in the will or non-testamentary instrument:

(1) The tax shall be apportioned among the persons benefited in the proportion that the value of the property or interest received by each such person benefited bears to the total value of the property and interest received by all persons benefited, the values as finally determined in the respective tax proceedings being the values to be used as the basis for apportionment of the respective taxes.

It is settled law in New York that the apportionment provided for by statute controls in the absence of clear direction by the testator to the contrary. In re Dettmer's Will, 179 Misc. 844, 40 N.Y.S. 2d 99 (Sur. Ct. 1943). In the case of the decedent's will, the court is unable to find a clear expression of intent that the federal and state estate or inheritance taxes not be apportioned to the charitable remainder interest in accordance with law.

The petitioner relies primarily on the order of payment of income by the trustees as set forth in paragraph SIXTH and paragraph SEVENTH of the will. In the case of the trusts set up under those paragraphs, the will specifically directs the trustee to apply the income to the payment of applicable federal and state estate taxes prior to the

distribution of any of such income to the beneficiaries. On the other hand, a similar direction with respect to the order of payment appears in paragraph EIGHTH of the will although the amounts distributable thereunder are described as instalments of "principal". The direction there applies to receipts of both principal and income. Furthermore, where the decedent intended that there be a charge to the corpus of the trust without apportionment, as in the case of the trustees' commissions on account of the payments bequeathed in trust under paragraph EIGHTH, the will's direction is clear and unequivocal.

From a reading of the will as a whole, therefore, it is the opinion of the Court that in the disposition of the income of the trusts in paragraph SIXTH and paragraph SEVENTH the decedent was not intending to negate the rule of apportionment. Rather, the language relied on by petitioner refers to the source of the funds to be used in order to pay all costs, including taxes, rather than the apportionment of such taxes as between the interest passing to the life beneficiaries and the interest passing to the charitable remainders. The logic of this conclusion is further supported by the provision in paragraph SEVENTH empowering the trustees to borrow up to $200,000 against the corpus of that

trust in order to pay such taxes.

Respondent further argues that payment of any of the Federal or New York estate taxes out of the income of the trust would require an accumulation of income for the purpose of paying such taxes which would be void under Section 9-2.1 of the New York law.[6] Cf. In re Talbot's Will, 170 Misc. 138, 9 N.Y.S. 2d 806 (Sur. Ct. 1939). In view of our construction of the will, we need not consider that question.

Decision will be entered under Rule 155.

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6 New York Estate, Powers and Trusts, Sec. 9-2.1 (McKinney, 1967).

DECISION

UNITED STATES TAX COURT

ESTATE OF ANTON L. TRUNK, DECEASED CLARA P. TRUNK, EXECUTRIX, Petitioner, v. COMMISSIONER OF INTERNAL REVENUE, Respondent.	)	Docket No. 7259-72

RECEIVED IN DOCKET SECTION
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DECISION

Pursuant to the opinion of the Court filed November 3, 1975, and incorporating herein the facts recited in the respondent's computation as the findings of the Court, it is

ORDERED and DECIDED: That there is a deficiency in estate tax due from the petitioner in the amount of $50.848.42.

(signed) William H. Quealy
Judge.

Entered: FEB 17 1976

* * * * * *

DECISION

It is hereby stipulated that the foregoing decision is in accordance with the opinion of the Court and the respondent's computation, and that the Court may enter this decision, without prejudice to the right of either party to contest the correctness of the decision entered herein.

MEADE WHITAKER,
Chief Counsel,
Internal Revenue Service.

/s/ Jerome Kamerman
JEROME KAMERMAN,
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By: (Sgd) GERALD BACKER-JSH
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Tel. No. 212-264-2438.

FEB 10 1976

NOTICE OF APPEAL

UNITED STATES TAX COURT

ESTATE OF ANTON L. TRUNK, Deceased, Clara P. Trunk, Executrix, PETITIONER, V. COMMISSIONER OF INTERNAL REVENUE, Respondent	Docket No. 7259-72

NOTICE OF APPEAL

Notice is hereby given that the Estate of Anton L. Trunk, deceased, Clara P. Trunk, executrix, hereby appeals to the United States Court of Appeals for the Second Circuit from the decision of this court entered in the above captioned proceeding on the 17th day of February, 1976.

JK

Jerome Kamerman

Counsel for the Estate of
Anton L. Trunk, deceased,
Clara P. Trunk, executrix
500 Fifth Avenue
New York, N.Y. 10036
(212) CH4-5245

C 321—Affidavit of Service of Papers by Mail.
Affirmation of Service by Mail on Reverse Side.

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UNITED STATES COURT OF APPEALS
FOR THE SECOND CIRCUIT

Docket No. 76-4125

ESTATE OF ANTON L. TRUNK, Deceased,
Clara P. Trunk, Executrix,

Petitioner-Appellant,

against

COMMISSIONER OF INTERNAL REVENUE,

Respondent-Appellee.

AFFIDAVIT OF SERVICE BY MAIL

STATE OF NEW YORK, COUNTY OF NEW YORK *ss.:*

The undersigned being duly sworn, deposes and says:

Deponent is not a party to the action, is over 18 years of age and resides at 101 West 80th Street, New York, New York 10024

That on July 22, *19* 76 *deponent served the annexed* Joint Appendix

on / *attorney(s) for* Daniel Ross, Esq. Appellate Section of Tax Division, U.S. Dept. of Justice Respondent-Appellee

in this action at Constitution Ave. betw. 9th & 10th Sts., Washington D.C. 20530

the address designated by said attorney(s) for that purpose by depositing 2 *true copy of same enclosed in a postpaid properly addressed wrapper, in—a post office—official depository under the exclusive care and custody of the United States Postal Service within the State of New York.*

Sworn to before me

July 22, 1976

George Cohen

GEORGE COHEN
Notary Public, State of New
No. 31-0632100
Qualified in New York County
Commission Expires March 30, 1977

August De Fonse

The name signed must be printed beneath

August De Fonse